

O.K. SAUCE



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TO-DAY'S WEATHER FORECAST.—East And North-East Winds, Fresh; Cloudy:

Hongkong Daily Press.

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LAZARUS OPTICIANS

No. 2476. 號式拾陸佰柒仟肆萬貳第 日式月式拾年丑丁 HONG KONG, MONDAY, JANUARY 3, 1938. 登拜禮 日叁月壹年捌卅伍仟壹英 Price {Single Copy, 10 cts. Per Month, \$3.



A competitor clearing the line in the pole vault event at the South China Athletic Association sports held at Caroline Hill yesterday. (Photo, Cheng Studio).

RIZAL DAY

Filipinos En Fete

The annual celebration of Rizal Day took the form of a luncheon, concert and dance at the Peninsula Hotel yesterday, when the local Filipino community foregathered to honour the memory of their national hero, Dr. Jose Rizal. The function, which was extremely enjoyable, was a splendid tribute to the traditional friendliness and hospitality of the Filipino people, no pains being spared by the Committee in charge to enliven the proceedings and make the guests feel well at home.

Mr. R. La Sala, president of the Filipino Club, welcomed the guests, and in a short speech referred to the life and achievements of Dr. Rizal.

Among those present were Prof. F. Gonzales, Dr. V. N. Atienza and Mr. R. Basa who also spoke.

CONQUEST RECOGNITION

Holland, Italy And The Negus

The Hague, Jan. 2. "My Government has no intention of proceeding with de jure recognition," states Queen Wilhelmina of the Netherlands, replying to the telegram sent, by the Negus who expressed concern regarding Holland's invitation to the Scandinavian states to consider regularizing relations with Italy.

The Queen adds, "Whilst fully preserving the traditional policy of the defence of international law, my country is bound to take into account the Italian occupation of Ethiopian territory."

Reuter

HITLER TO VISIT ROME

Triumphal Entry Planned

Rome, Jan. 2. It is learned on good authority that Herr Adolf Hitler will arrive in Rome on May 6 next to return Signor Mussolini's visit to Germany last September, and will stay a week in Italy.

He will make a triumphal entry into Rome, passing the Coliseum on the Via del Imperio and will stay at the Doria Palace, where the ex-Kaiser stayed when he visited Rome before the World War.

Herr Hitler will attend a great military review on May 9 and also the naval review at Naples.

Reuter

VICEROY OF ETHIOPIA

Rome, Jan. 2. The Duke of Aosta informed Signor Mussolini that he had taken over his duties as Viceroys of Ethiopia from his predecessor Marshal Graziani on Saturday. The Duke added that he was convinced that the great future of Fascist Italy was guaranteed by the conquest of a magnificent empire.

Transocean News Service.

ADMIRAL JONES DEAD

Washington, Jan. 2. The death has occurred of Admiral Hilary Pollard Jones, who represented America at the Disarmament Conference at Geneva in 1927.

Reuter

MORE THEFTS REPORTED IN KOWLOON

Window Forced Open By Thief

More reports of thefts from Kowloon residences were made to the police yesterday.

Mr. Ohlong, of 4, Lincoln Road, Kowloon Tong, reported the loss of two watches, valued at \$24, a handbag containing \$40. The thief, it is alleged, entered through an open window.

Two watches, valued at \$48 and \$25 in money was stolen from 17, Belfram Road, Kowloon Tong, the residence of Mrs. Ho Yu. Entrance had been gained by forcing a window.

Mr. Oppen, of 98D Waterloo Road, reported the loss of a Leica camera, and an exposure meter which had been left in his car parked outside the house between 11 p.m. on Saturday and 7 a.m. yesterday morning.

CAPTURE OF TERUEL WAS DIFFICULT TASK

Teruel, Jan. 2. The capture of Teruel, it is stated, was accompanied by heavy losses since the Nationalist headquarters desired to avoid direct bombardment of the town by artillery fire in order to spare the civilian population as well as their comrades who had so heroically defended the place.

Republican troops had converted practically every house into a fortress filled with machine-guns so that the task of occupying the town proved extremely difficult.

Transocean

BAG SNATCHER ON BICYCLE

Mrs. H. Naylor, of 5, Lock Road, Kowloon, was the victim of a daring theft perpetrated yesterday morning.

According to a police report, Mrs. Naylor was walking in Kimberley Road near Austin Road when a Chinese, riding a bicycle, approached and made off with her handbag.

FOUNDING OF CHINESE REPUBLIC OBSERVED

Chungking, Jan. 1. With national and Party flags bedecking the streets of Chungking, the new seat of the National Government, celebrated to-day the 27th anniversary of the establishment of the Republic of China.

Meetings were held in the morning at both the National Government Headquarters and the Central Kuomintang Headquarters, at which large numbers of officials and Party members were present. Owing to the national crisis, no hilarious celebrations and entertainments were held.

Telegrams pouring in from Sian, Hankow, Chengtu, Lanchow, Nanchang, Kunning, Changsha, Kwel-yang and other cities indicated that the occasion was observed in the same dignified manner.

Central News

HELPING NATIONAL REJUVENATION

Chungking, Jan. 1. Speaking at the meeting at the National Government Headquarters celebrating the 27th anniversary of the founding of the Chinese Republic this morning, Mr. Lin Sen, Chairman of the National Government, exhorted the nation to make the 27th year of the Republic a memorable year in the history of China's regeneration.

The aged statesman was confident that with the united efforts of the whole nation the acute national crisis could be bridged over in due time. He quoted the old Chinese adage that "alien aggression serves as an impetus to the rejuvenation of a nation."

Central News

NATIONAL GOVERNMENT CHANGES

NO COMMUNIST INFLUENCE

Generalissimo Is Determined

Hankow, Jan. 2. The reconstitution of the Chinese Cabinet is, according to a statement issued here, destined simply as an administrative organization and thereby will increase the national power of resistance in the struggle against Japan.

As previously reported, Dr. H. H. Kung becomes President and General Chang Chun Vice-President of the Executive Yuan. No changes have taken place in the Ministries of the Interior, Foreign Affairs, War and Education. On the other hand the Ministries of Marine, Railways and Industry have been suppressed in the forms in which they had hitherto existed.



Dr. H. H. Kung

The Ministry of Marine has been amalgamated with the Naval Headquarters and placed under the leadership of Admiral Chen Shih-kwan.

The Ministry of Railways has been merged with the Ministry of Communications and placed under the former Minister of Railways, Mr. Chang Chiang-ngau. The new Ministry of Economy consists of the former Ministry of Industry, National Economic Commission and National Reconstruction Commission, and has been placed under Dr. Wong Wen-hao.

The Party organizer, Mr. Chen Li-fu, has taken over the Ministry of Education in succession to Dr. Wang Shih-chih, who resigned.

The National Health Administration has been merged with the Sanitary Board of the National Economic Commission and placed under the control of the Minister of Interior.

Informed quarters emphasize that although Generalissimo Chiang Kai-shek holds no office in the reconstituted Cabinet, his political influence is in no wise diminished since all the ministers, including Dr. H. H. Kung and General Chang Chun, have invariably been his intimate and trusted collaborators.

It is also pointed out that the new cabinet includes no Left Wing politician which proves the Generalissimo's determination not to allow any Communist influences to prevail.

Transocean News Service.

FAROUK SUSPENDS PARLIAMENT

Cairo, Jan. 2. A royal decree has been issued suspending Parliament for one month.

Reuter

NEW YEAR GIFTS FOR CHINESE TROOPS

Tunglu, Chekiang, Jan. 2. Bringing with them roasted beef, mutton, biscuits and other New Year gifts, many comfort corps proceeded yesterday to the front to cheer up the Chinese troops.

Central News

CHINESE MEET WITH SUCCESS NEAR HANGCHOW

Hankow, Jan. 2. It is announced that the Chinese evacuated Tainan and are retreating on to Nanyih about 25 miles south on the railway from Tientsin.

According to unconfirmed reports the Japanese occupied Tainanfu. On the other hand the Chinese are meeting with considerable success in the neighbourhood of Hangchow, and they are now about 20 miles north-west of that city. These successes are attributed to co-operation of Chinese regular army with the guerilla bodies which were organized previous to the fall of Hangchow. It is stated that similar guerilla operations will in future be carried out as far as possible in all fronts.

Reports here state that the Japanese have set fire to various parts of Hangchow, where devastating fires are said to have been raging for the past three days.

No further news is to hand from Tientsin front and on the Shansi front the position is apparently unchanged, despite continuous arrivals of Japanese reinforcements.

Transocean News Service.

JAPANESE PLANES ACTIVE NEAR WONGCUM ISLAND

A rumour current yesterday that the Japanese had evacuated Wongcum Island, on which they landed last week, has to be discounted in view of the obvious activity that is going on there. It was evident to a correspondent who passed there yesterday that they have not done so and, in fact, are preparing for a stay there. Seven Japanese planes were also seen flying south.

BARCELONA AIR RAID

Barcelona, Jan. 2. Forty are so far known to have been killed in a short but severe air raid on Barcelona this evening. It is stated here that no military objectives were hit.

Reuter

JAPANESE OCCUPY ISLAND

Base For Operations Against Tsingtao

Hankow, Jan. 2. The Japanese recommenced their advance in the province of Shantung which the Chinese had succeeded in bringing to a momentary standstill. Fighting is reported in the region south of Poshan and east of Whinsee and the Japanese are stated to have occupied the Island of Tsingtao about 12 miles south-east of Tsingtao apparently with the object of making the island a new base of operations against Tsingtao.

The Japanese are likewise advancing south of the railway from Tsingtao to Fukow where the Chinese have evacuated from Chuchow. It is reported that the Japanese are advancing on the southern bank of the river from Wuhu in the direction of Tatung and simultaneously to be attacking Hopel on the northern bank. Chinese reinforcements have been sent towards Hopel in order to hold up the enemy advance. It is officially denied here that the Mayor of Tsingtao has left town where, it is added, he is organising defence measures.

Transocean News Service.

BUDGET PASSED

Paris, Jan. 2. The Chamber of Deputies passed the Budget as amended by the Senate at the fourth reading by 527 votes to 63. The Chamber will meet again on January 11.

Reuter

MACAO RACE MEETING

Champion Jockey Wins Christmas Handicap

BROADCAST OF RESULTS

Hundreds of racing enthusiasts from Hong Kong made the trip to Macao for the Race Meeting yesterday and, together with the many residents who attended, made up one of the largest crowds seen on the Macao Race Course for a long time. Despite the good crowd, however, both pari-mutuels and cash sweeps were on the small side. Favourites had a fine day and most victories were clear-cut. Mr. S. C. Liang, the champion jockey, won the Christmas Handicap on Shanghai 4 although carrying 160 lbs. or ten lbs. more than the next pony. The Special Sweep on this race brought just under \$900 to the lucky winner.

The Ladies Dash was won by Miss Beryl Fair on Mr. Gellion's Merry Maker. Another Hong Kong rider who had a good day was Mr. B. L. Tao, who rode one winner and several places.

A pleasing innovation was the broadcasting of results, cash sweeps and winning numbers in English, Portuguese and Chinese, a feature which was much appreciated by the many people present.

1.—Sheehun Handicap (6 Furlongs)
Mr. Liang's Meadow Eve, 163 lbs. (L. B. Chao) 1
Mrs. Gellion's Fairy Auk, 158 lbs. (K. S. Hau) 2
Mr. Gellion's Merry Maker, 156 lbs. (W. G. Poy) 3
Time: 31.4.08, 1.39.2/5.
Distance: 4 lengths, short head.
Pari-mutuel:—
Winner: \$8.40.
Places: \$7.41, \$4.13.
Betting:—
Win. Pl.
Fairy Auk (K. S. Hau) 8 6
Fairy Ousel (C. L. Gregory) 14 10
Meadow Eve (L. B. Chao) 59 24
Merry Maker (W. G. Poy) 36 18

2.—Ching Hoi Handicap (7 Furlongs)
Mr. F.F.S.'s Coureur Bleu, 150 lbs. (B. L. Tao) 1
Mr. McComb's Hogmanay, 163 lbs. (W. G. Poy) 2
Mr. Potts' Gold Clause, 158 lbs. (C. L. Gregory) 3
Time: 17.2/5, 50.2/5, 1.28, 20.1/4/5.
Distance: A length, many lengths.
Pari-mutuel:—
Winner: \$20.60.
Places: \$3.80, \$9.60.

3.—Christmas Handicap (1 Mile)
Mr. Potts' Shanghai 4, 180 lbs. (S. C. Liang) 1
Mr. Liang's Hopeful, 144 lbs. (L. B. Chao) 2
Mr. Why's Victory Life, 150 lbs. (B. L. Tao) 3
Time: 34.2/5, 1.07, 1.42, 2.14.
Distance: 3 lengths, a length.
Pari-mutuel:—
Winner: \$3.50.
Places: \$5.50, \$2.28.
Betting:—
Win. Pl.
Hopeful (L. B. Chao) 8 7
Morning Tip (W. G. Poy) 17 10
Shanghai 4 (S. C. Liang) 124 78
Hih Yin Grand (C. L. Gregory) 10

4.—Mac's Adventure (Cooper) 12 11
Copper Idol (S. C. Liang) 39 61
Emergency (B. L. Tao) 67 49
Persian Cat (C. L. Gregory) 5 4
Lancashire Flyer (K. S. Hau) 68 33
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TOLERATION PLEA

Bucharest, Jan. 2. Advice to the new Government to act in the spirit of justice and respect the traditional tolerance of the nation was given by King Carol at a reception at the Palace.

The speech is regarded as significant in view of the suggestions that the new Government is planning an active anti-Semitic policy.

Reuter

QUEEN MARIE HAS RELAPSE

Bucharest, Jan. 2. The Queen Mother, Marie, is again confined to bed, and those who last week hoped for her complete recovery are much less optimistic to-day.

Reuter

MADRAS SALARY CUTS

Madras, Jan. 2. Graded reductions in Government servants' salaries from 5 to 30 per cent are announced by the Madras Congress Ministry, which thus redeems its pledge to the electorate.

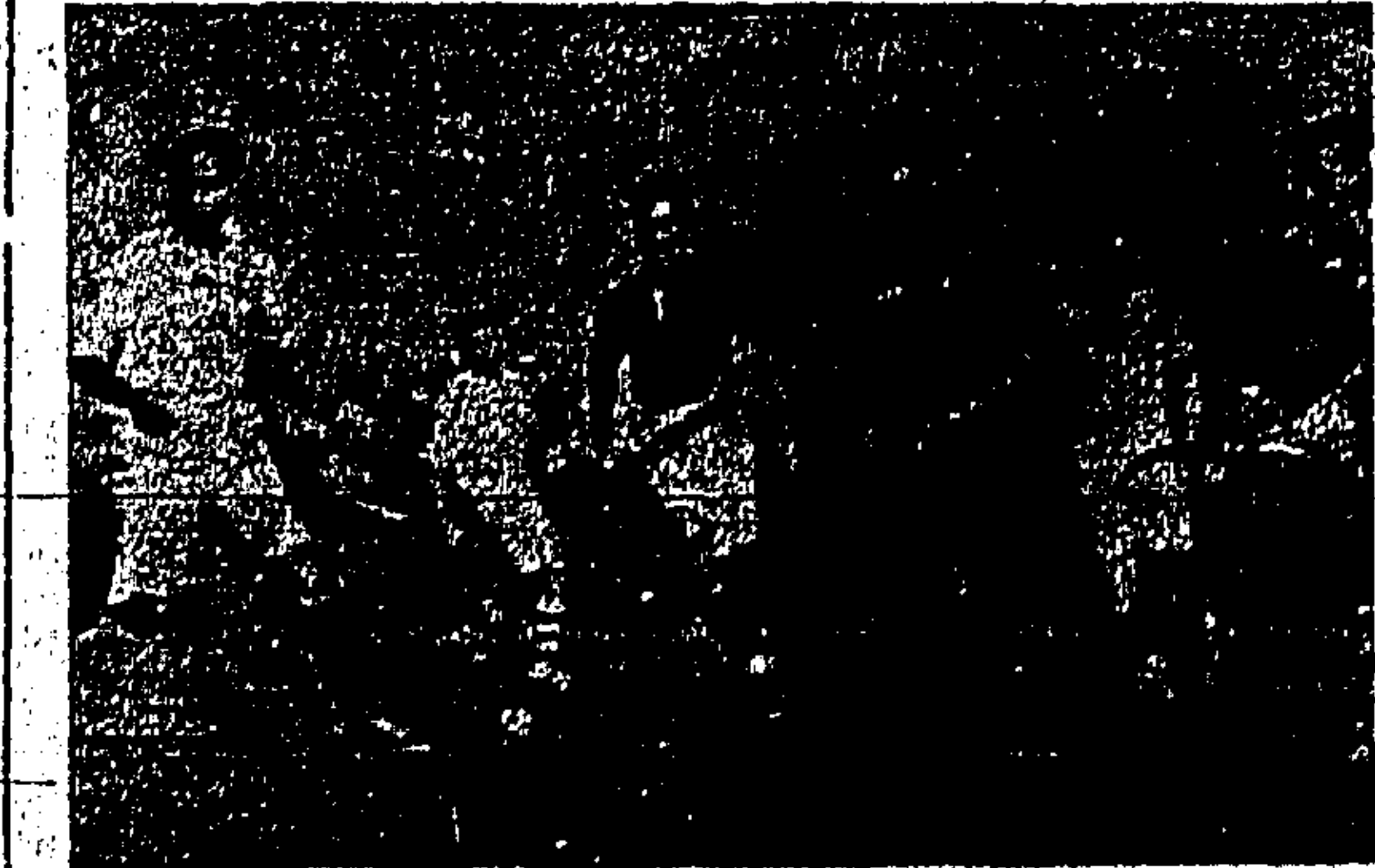
Reuter

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Scene taken at the Charity Fair held in the grounds of St. Paul's College on Saturday morning. (Photo, Cheng Studio)



Picture taken during the hockey match played at King's Park yesterday when the Civilians defeated the Combined Services 3-1. On the extreme right are Dr. E. L. Gosano and A. E. F. Guest, the Civilians' full-backs. (Photo, Cheng Studio)



THROAT TROUBLES-

If your throat hurts suck Peps antiseptic breatheable tablets every now and again. Peps soon cures throat troubles by soothing and healing the inflamed membrane. Thus Peps ends all pain and soreness right down to the lungs. Peps is far better in effect than gargles. Also for coughs, colds and chills.

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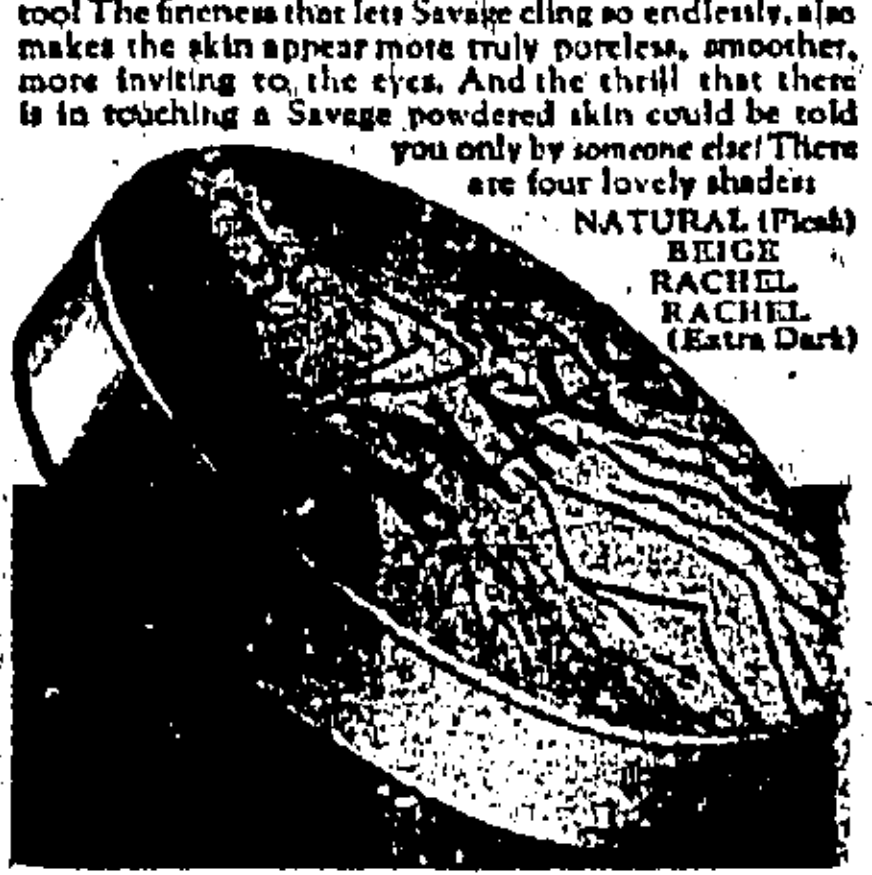
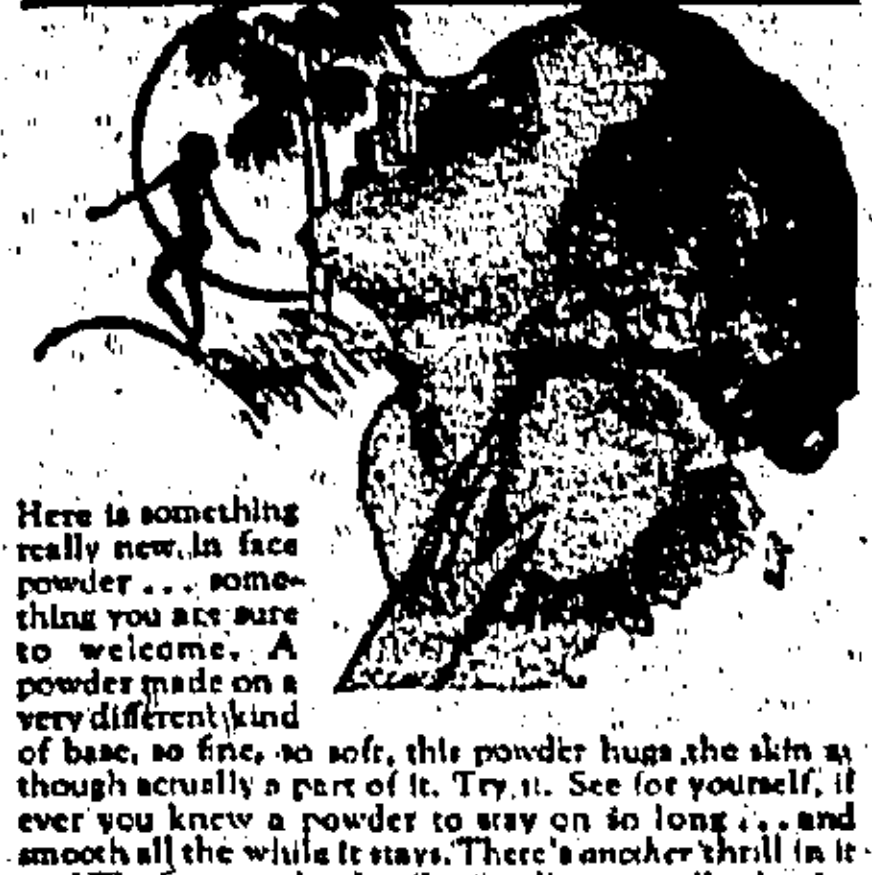
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RADIO PROGRAMMES

HONG KONG

Z.B.W. on Wavelengths of 355 metres (845 k.c.), 11.49 metres (25.93 megacycles). (Hong Kong Times)

"MUSIC HALL" AND OTHER LONDON RELAYS

Hotel Orchestra.

12 noon to 12.20 p.m. Relay of Special Service from St. John's Cathedral.

12.30 p.m. Songs by Jeanette MacDonald (Soprano).

Villa (film "The Merry Widow"); The Merry Widow Waltz (Merry Widow); Indian Love Call (film "Rose Marie")—with Nelson Eddy (Baritone).

12.40 p.m. Hawaiian Music.

All Through The Night—Waltz (York, Clarke and Vallee) On A Little Street In Honolulu—Waltz (Lewis and Sherman)—Hilo Hawaiian Orchestra. Cleito Lindo (Ponce)—Ferreira and Paulini (Hawaiian Guitar Duet) Beautiful Woman (Kahale)—William Ewald with Royal Hawaiian Glee Club. Liliu E (Kaula)—Lizette Alohiwa with Royal Liliu E (Kaula)—Lizette Alohiwa with Royal Hawaiian Glee Club. Kawaihau Waltz (Kealakai) My Hula Love—Medley March—Hilo Hawaiian Orchestra.

1 p.m. Local Time Signal and Weather Report.

1.03 p.m. Albert Sandler and His Orchestra.

La Tosca—Fantasie (Puccini—arr. Tavan); Down In The Forest (Sir L. Ronald); Indiana Sweetheart (Hansen); Tears (Uhr); The Child And His Dancing Doll (Heykens); Spanish Serenade (Heykens); The Fairies Gavotte (Kohli); Rosa Mia (Guitar, Fisher and Potter); Song Of The Nightingale (Hudson and Alibout).

1.30 p.m. Reuter and Rugby Press; Local Weather Forecast and Announcements.

1.40 p.m. Variety.

Dance Orch.—Somebody Stole My Gal—Fox-Trot Temptation Rag—Fox-Trot—The Ballyhooligans Vocal—Artificial Flowers ("Floodlight"—Nichols) A Little White Room ("Floodlight"—Nichols)—Frances Day (Soprano) with John Mills. Novelty—London Rhythm (Williams, Addison) Solitude (Ellington, De Lange, Mills)—The Mills Brothers. Vocal—Easy To Love (film "Born to Dance")—Frances Day (Soprano). Novelty—Swing Is The Thing (Mercer, Bloom) "Long About Midnight (Mills, Hill)—The Mills Brothers. Dance Orch.—Favourite Favourites, No. 3—The Ballyhooligans.

2.15 p.m. Close down.

5 to 8.05 p.m. European Programme.

8.05 to 11 p.m. Chinese Programme.

5 p.m. Relay of the Dance Orchestra from the Roof Garden of the Hong Kong Hotel.

1. It Ain't Nobody's Biz'ness what I do; 2. Playboy of Paree; 3. With Plenty of money and you; 4. So Rare. 5.15 p.m. Interval of recorded dance music from Z.B.W. 5.20 p.m. 5. The only time you're out of Luck; 6. Basin Street Blues; 7. The you and me that used to be; 8. Tiger Bage Part 11. 5.35 p.m. Interval of recorded dance music from Z.B.W. 5.40 p.m. 9. Floating on a Bubble; 10. An Excuse for Dancing; 11. Cotton 12. Truckin'. 5.55 p.m. Interval of recorded dance music from Z.B.W. 6 p.m. 13. Blue Venetian Waters; 14. The words are in my heart; 15. Strauss Waltz Medley Part 11. 6.15 p.m. Interval of recorded dance music from Z.B.W. 6.20 p.m. 16. A Girl in the Moonlight; 17. The Girl in the Police Gazette; 18. Turn on that red hot heat.

"The Hums Of Pooh" (A.A. Milne—Fraser-Simson) (a) They all went off to discover the Pole (b) Three cheers for Pooh (c) The more it spows (d) The butterflies are flying (e) If Rabbit was Bigger (f) Here lies a tree—George Baker (Baritone). Nursery Rhymes—Uncle George's Party.

6.45 p.m. London Relay—"Music Hall" with The BBC Variety Orchestra. Conductor, Charles Shadwell.

7.45 p.m. Closing local Stock Quotations and Hong Kong Exchange Market Report.

7.50 p.m. Gerald and His Orchestra.

El Relicario—One Step (Padilla); La Violentera—Tango (Willemetz, Granier and Padilla); Che Papusa Olé—Tango (Matos).

8 p.m. Local Time Signal, Weather Report and Announcements.

9.05 p.m. Chinese Programme—Relay from the Ko Sing Theatre.

11 p.m. Close down.

8.05 to 11 p.m. European Programme from Z.B.W. On a Frequency of 940 Kilocycles.

8.05 p.m. Variety.

DAVENTRY

Calls Wavelengths G.S.G. 17.79mc. (1638m.) G.S.O. 15.18mc. (1976m.) G.B.B. 9.51mc. (3155m.) G.S.H. 21.47mc. (1397m.) G.S.F. 15.14mc. (1982m.) Trans. I (G.S.O., G.S.G., G.S.B.) 4.15 p.m.—Big Ben; "Swift Serenade." 4.45 p.m.—"In Town To-night." 5.15 p.m.—The B.B.C. Empire Orchestra. 6 p.m.—The News and Announcements.

Trans. II (G.S.H., G.S.G., G.S.B.) 6.45 p.m.—Big Ben; Music Hall, with the B.B.C. Variety Orchestra, conducted by Charles Shadwell. 7.45 p.m.—"Made in Great Britain" Stourbridge Glass. 8.20 p.m.—Recital of Songs and Duets 8.40 p.m.—Hans Scharlig and the St. Moritz Yodellers. 9 p.m.—"Empire Exchange 9.15 p.m.—Frank Rea and his Orchestra. 9.30 p.m.—The News and Announcements.

Trans. III (G.S.H., G.S.F., G.S.B.) 6.55 p.m.—Opening Announcements, 10 p.m.—Big Ben; "Swift Serenade." 10.30 p.m.—The Cellini Trio. 10.45 p.m.—"Green Fields and Pavements," a talk by Howard Marshall. 11 p.m.—The Folkestone Municipal Orchestra. 11.30 p.m.—"In Town To-night." 12 p.m.—The News and Announcements. 12.20 a.m.—Orchestral Music 12.30 a.m.—"Friends to Tea," a vest-pocket vaudeville, produced by Ernest Longstaffe.

Novelty—Jack Hylton Throws A Party—Guests: Tommy Handley, Hilda Mundy and Billy Caryll, Peggy Dell, Jack Barry, Nelson Keys, Freddie Fox, The Swingette, Tom Webster with Jack Hylton's Boys. Comedians—Silly, Isn't It?—Bennett and Williams. Orchestra—"Going Greek" Selection—New Mayfair Orchestra. Vocal—He's An Angel (Hodges) With All My Heart (Kahn, McHugh)—Elate Carlisle. Vocal—Gang Show of 1938—Ralph Read and Chorus Orchestra—Gipsy Fantasy (Charpentier and Rode)—Rode and His Tziganes.

8.40 p.m. London Relay—Hans Scharlig and the St. Moritz Yodellers.

9 p.m. London Relay—"Empire Exchange." Points of view by travellers from the Dominions and Colonies.

9.15 p.m. London Relay—Frank Rea And His Orchestra.

9.30 p.m. London Relay—The News.

9.50 p.m. Haydn—Symphony No. 101 In D Minor ("The Clock"). Played by the Philharmonic Symphony Orchestra of New York cond. by A. Toscanini.

10.23 p.m. Violin and Cello Solos. "The Magic Flute—Seven Variations On The Duet 'The Manly Heart'" (Mozart—arr. Beethoven). Emanuel Feuermann (Cello) with Theo van der Pas (Piano). A May Breeze ("Songs Without Words"—Mendelssohn, arr. Kreisler) Londonderry Air (arr. Kreisler)—Fritz Kreisler (Violin). Piano accomp. by Michael Baughelien.

10.45 p.m. London Relay—"Green Fields and Pavements." A talk by Howard Marshall.

11 p.m. Close down.

JAPAN'S REPLY ACCEPTED

Traditional Spirit Of Friendship

Tokyo, Jan. 1. Satisfaction with the tone of the British Note acknowledging Japan's reply to the British protest against the attacks on the British ships in the River Yangtze on December 1, was expressed yesterday by a spokesman of the Foreign Office.

The spokesman said: "It indeed is to be deplored that these unfortunate incidents have occurred, but it is a matter for congratulation that they have been settled amicably through the traditional spirit of friendship between Japan and Britain supported by the calm and sincere attitude adopted by both countries."

The text of the British note, which was sent to the Foreign Minister by the British Ambassador, was released for publication yesterday.

BRITISH NOTE

The British Government's note declares that it has noted with appreciation the assurances given regarding the attacks on the British warships and merchant vessels and learned with satisfaction that the statement contained in the Japanese note, dated December 14, applies to merchant vessels as well as warships. His Majesty's Government, the document proceeds, is bound to observe its information, regarding the circumstances surrounding the attacks, "notably, for instance, the points of visibility," is at variance with the Japanese.

The British Government, however, notes with satisfaction that the Japanese Government has taken or is prepared to take the necessary measures to deal suitably with the officers responsible for the incidents and to prevent the repetition.

Regarding the latter the Note adds that H. M. Government will consider the details of the measures to be taken and effective application of such may suitably form the subject of further conversations in which there is no doubt that they will be informed of the actual steps to be decided.

Reuter.

MANILA

31.R.—Wave Length, 31.34 metres; Power, 1 Kilowatt; Frequency, 9.58 megacycles.

5.03 a.m. Records. 5.45 a.m. NIB English News Period. 6 a.m. Royal Musical Revue. 6.50 a.m. Records. 6.50 a.m. New York Stock Quotations—Swan, Culbertson and Fritz. 7 a.m. Tabacalera's Overseas and Foreign News Period. 7.15 a.m. Sign off. 9.30 a.m. Nielson Financial Review and Musical Varieties. 11.15 a.m. Sign off. 2.30 p.m. Nielson Financial Review and Musical Varieties. 3.45 p.m. Sign off. 5.30 p.m. U.P. Conservatory of Music—Radio Practice Hour. 6 p.m. On the Mall. 6.20 p.m. Local Market Report. 6.25 p.m. NIB Spanish News Period. 6.35 p.m. NIB English News Period. 6.55 p.m. NIB English News Period. 6.55 p.m. Programme Preview. 7 p.m. Alhambra Sampaquita Programme. 7.30 p.m. Priscilla, the Kolybia Girl. 7.45 p.m. Richard Himbert and his Studebaker Chimpunk. 8 p.m. Castaspirina Melody Album. 8.30 p.m. To be announced. 8.45 p.m. Tango Moments. 8.50 p.m. Tabacalera's Overseas News Period. 9 p.m. Myrurgia Programme. 9.30 p.m. To be announced. 10 p.m. Sign off.

HOLLAND INDIA

Call letters: PHL Wavelengths 16.85 m. and 25.57 m.; Frequencies 17790kc. and 11730kc. 60.00—61.00 G.M.T. wavelength 31.28 m. 13.25—15.10 G.M.T. wavelength 16.88 m. Wavelength 31.28 m. 60.00—61.00 G.M.T. programme for the Western Hemisphere. Wavelength 16.88 m. Phoni programmes for the Netherlands Indies. 13.25 National anthem and opening-announcement. 13.30 Stock reports. 13.40 Ren Kopartsky and his Novelty Ensemble. 14.00 Talk on sports by Mr. Han Hollander. 14.20 Ren Kopartsky and his Novelty Ensemble (cont'd). 14.40 Meeting of the Phoni Club. 15.00 Daily News Bulletin. 15.10 Close down and national anthem.

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FATE OF TSINGTAO

Temporary Government Formed

Tsingtao, Jan. 1. Following the departure of the Mayor and the Garrison Commander from Tsingtao a temporary government composed of 25 prominent Chinese has been formed for the purpose of maintaining order until the Japanese arrive.

The Consular body played the leading part in the formation of the new administration whose first act was to impose a 12-hour curfew from 7 p.m. to 7 a.m.

With the safety of the port guaranteed by Mr. Theodore Antoschewitz who has been connected with the Tsingtao Police Force since days of German occupation, which ended in 1914, 130 Chinese police who deserted yesterday, have returned and are now helping to extinguish the fire in the Japanese silk mill.

Meanwhile, according to reports from Hankow, the attention of the Chinese Government is centred in the fate of Tsingtao.

Although the port is important for the export trade of Shantung, it is not believed that special efforts will be made to defend the city.

It is stated that with the fall of Tsinanfu and the loss of the Tsinanfu-Tientsin railway the port is of little or no military importance.

At present only skirmishes between patrols have been reported along the Tientsin-Pukow Railway, south of Tsinanfu where the Chinese forces are still occupying the positions among the hills between Tangchiachuang and Kingshan.

A large body of Chinese troops are reported to be concentrated on Chingchun, to the west of Tsinanfu.

HANKOW-CHANGSHA SHIPPING SERVICE TO BE STARTED

Hankow, Dec. 31. Owing to the increasing passenger and freight traffic between Hankow and Changsha, the Navigation Bureau of the Ministry of Communication will shortly start a shipping service between these two cities by way of the Yangtze and Hsiang Rivers. A survey of the new route has been completed.

UNCONTROLLABLE ACTS

London, Jan. 1. Comments on the Japanese Note regarding the Ladybird incident uniformly draw attention to the discrepancy between Tokyo's genuine wishes and the army's uncontrollable acts.

The "Daily Telegraph" says there is no need to embarrass the unfortunate Japanese Foreign Office by further examination of the explanations they have received concerning Wuhu and Japanese diplomats doubtless are going all they can.

We have a guarantee, says the Journal, but will it be effective?—Reuter.

HONGKONG WEEKLY PRESS

AND

CHINA OVERLAND TRADE REPORT.

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An Outstanding Screen Event!
GLAMOROUS DIETRICH
 More Exotic Alluring & Intriguing Than Ever!



Produced and Directed by ERNEST LUBITSCH

NEXT CHANGE

The Funniest And Most Entertaining Picture Of The Season!

"MERRY-GO-ROUND OF 1938"

Bert Lahr - Jimmy Savo - Billy House - Mischa Auer
 Alice Brady & Universal's New Find, Joy Hodgès.

TO-DAY AT THE CINEMA

Hong Kong

KING'S:
 "Way Out West"
QUEEN'S:
 "Angel"
ORIENTAL:
 "Double or Nothing"

Kowloon

ALHAMBRA:
 "Merry-Go-Round of 1938"
STAR:
 "Lottery Bride"
MAJESTIC:
 "Captains Courageous"

Coming

KING'S:
 "Racketeers in Exile"
QUEEN'S:
 "Merry-Go-Round of 1938"
ORIENTAL:
 "Under Two Flags"
ALHAMBRA:
 "Angel"
STAR:
 "A Star Is Born"
MAJESTIC:
 "Dark Hazard"

WAY OUT WEST

The vogue of the popularity in Western pictures now includes so rollicking and stellar a team of comic stars as Laurel and Hardy, who is on to-day at the King's Theatre in the Hal Roach-M-G-M feature-length comedy, "Way Out West".

"Way Out West" is an ideal vehicle for them; one of the most hilariously-funny features they have ever presented. As pair of "tenderloins" desert prospectors in a back-ground of the colour and thrills of the gay 90's wild west, Laurel and Hardy romp through a succession of adventures and misadventures that sent the audiences into gales of laughter.

ANGEL

"Angel," which has its run at the Queen's Theatre to-day, is from every standpoint a remarkable production, with the "Lubitsch touch" and the fine work of Marlene Dietrich, Herbert Marshall and Melvyn Douglas providing a brand of entertainment you can't afford to miss.

The story is that of a woman (Miss Dietrich) who is married to a brilliant statesman, played by Herbert Marshall. She loves her husband, but absorbed in affairs of state, has no time or attention for her. She resents the fact that she is unable to share his life, and goes finally on a secret journey to Paris, where she meets a diplomat who is returning home after a long stay in India. The diplomat (Melvyn Douglas), is powerfully attracted to Miss Dietrich, and she finds him profoundly moving.

The principals are supported by a fine cast, with Laura Hope Crews, Ernest Cossart, Edward Everett Horton and Herbert Mundin all lending valuable assistance to the finished picture.

CAPTAINS COURAGEOUS

Presented by an impressive cast, headed by Freddie Bartholomew, Spencer Tracy, Lionel Barrymore and Melvyn Douglas, Metro-Goldwyn-Mayer's screen version of Kipling's "Captains Courageous" opened on Saturday at the Majestic Theatre.

Freddie Bartholomew crowns his brilliant young career in the role of the rich American boy who is swept from the deck of a liner in a gale off the Grand Banks and rescued by a fishing crew. Spencer Tracy, as the Portuguese fisherman, is magnificent and Lionel Barrymore gives an extraordinary performance as Captain Disko, skipper of the schooner, "We're Here."

DINNER TO AID ORPHANS

Miss Grace Fields presided at the Savoy Hotel at the annual dinner of the Variety Artists' Ladies' Guild and Orphanage in aid of the widows, orphans, sick and needy of the variety profession. Miss Jean Batten, the airwoman, was the guest of honour.

Replying to the toast of the Guild and Orphanage, proposed by Mr. Charles Doughty, K.C., Miss Fields said she hoped that those present would help the cause. She kept the orphanage herself, but she could not help all the poor mothers and orphans in England.

WAVE OF TERRORISTIC ACTIVITIES

Japanese Soldiers Wounded By Grenades

Shanghai, Jan. 1. A wave of terroristic activities inauspiciously ushered in the New Year in Shanghai to-day when a group of about seventy Japanese soldiers walking along Hankow Road on a sightseeing tour of the Settlement areas, were the target of two hand-grenades thrown from Chinese buildings.

Four Japanese privates and five Chinese were injured by the grenades, which were thrown by unidentified miscreants.

Police cordoned off the area and made a house-to-house search, which, however, proved fruitless. Meanwhile, hand-grenades were also thrown at three Japanese cotton mills in the Italian defence sector, one exploding dangerously near Colonel Andreino, the officer commanding the Savoy Grenadiers, who was unscathed. Casualties and damage were only very slight.

A foreign eye-witness of the Hankow Road incident told Reuter: "I was shopping when I suddenly heard two loud explosions in the street, which was filled with Chinese, who scattered in panic in all directions for cover."

"LOADS OF SUSPECTS"

"Two Settlement police riot vans arrived on the scene and took loads of Chinese to the station for questioning as possible eye-witnesses, while ambulances rushed the injured to hospital."

"Later, Japanese consular police arrived for an investigation on the spot, and returned to Hongkew when they had completed their inquiries."

"The four Japanese privates who were injured had become detached from the main party, which was leisurely going to see the Settlement Race Course."

"They were armed only with bayonets, though the officers carried pistols."

To-day's outrages confirm the presence in Shanghai of anti-Japanese terrorists bent on creating disorder, and their activities are causing much misgiving.

It is almost impossible to round up all armed gangsters and ex-soldiers in the city, for which reason, although the Chinese forces withdrew from Shanghai eight weeks ago, curfew is still being enforced between 11.30 p.m. and 5 a.m.

Reuter.

MACAO PROTEST TO JAPAN

Canton, Jan. 1. A protest from the Portuguese authorities at Macao is believed to lie behind the Japanese withdrawal from Woungcou Island, near the Portuguese colony, yesterday.

Japanese marines were landed on the island on December 28 but, according to a reliable Chinese source, have now withdrawn to their ship.

The withdrawal, says the same source, is believed to have been due to a request from the Portuguese authorities, as Portugal has certain rights on the island.

Meanwhile a company of Japanese sailors attempted to land at Tongkawan, in Chungshan district to-day, but contacted Chinese troops and withdrew.—Reuter.

SEVERE AIR RAID IN CANTON AREA

Canton, Jan. 1. New Year in Canton was greeted by a severe air raid in country districts north-west of the city this morning.

Bombs and gunfire were audible all over Canton, but no bombs were dropped in the city proper.—Reuter.

FALL OF WEIHSIEN RUMOURED

Hankow, Jan. 1. Japanese troops are vigorously attacking Tainan, in Shanghai, fall of which is expected at any moment.

Fall of Weihsien, half way between Tsinanfu and Tsingtao, where the main Chinese defence lines are situated, is rumoured but not yet confirmed.—Reuter.

DIARY OF LOCAL EVENTS

MONDAY, JANUARY 3

Cinemas.—(See Page 5).
 Lectures.—Air Raids Lecture, at China Fleet Club Theatre, 5.30 p.m.
 Mails.—(See Page 16).

Meetings.—Hong Kong Football Association Council Meeting, in Room 205, Gloucester Building 7th floor, 5.30 p.m.
 Moon.—XII Moon 3rd Day.
 Sports.—(See Page 10).
 Sunrise.—7.02 a.m. Sunset.—5.49 p.m.

Tides.—High at 10.04 and 20.22. Low at 03.04 and 13.37.

TUESDAY, JANUARY 4

Cinemas.—(See Page 5).
 Mails.—(See Page 16).
 Meetings.—Urban Council, Post Office Building, 4.15 p.m.

Miscellaneous.—Rotary Tiffin, Hong Kong Hotel, 1 p.m.
 Moon.—XII Moon 4th Day.
 Sports.—(See Page 10).
 Sunrise.—7.02 a.m. Sunset.—5.48 p.m.

Tides.—High at 08.30 and 19.16. Low at 01.52 and 12.08.

CHINESE PILOTS DECORATED

Chiang Praises Their Bravery

Hankow, Jan. 2. The National and Kuomintang flags fluttered in Hankow, Wuhang and Hangyang in celebration of the New Year to-day.

A special meeting was held to-day in the headquarters of the National Government and the Central Kuomintang in Chungking. Government leaders made speeches urging the nation to renew its determination to resist foreign aggression and solidly unite behind the Government in facing the crisis.

Hankow newspapers published special editions featuring the usual New Year messages from various important civilian and military leaders of the Government. All Government offices here worked as usual to-day.

Meanwhile, an impressive ceremony was held this morning when General Chiang Kai-shek, accompanied by Madame Chiang, presented medals to five Chinese pilots who had distinguished themselves in aerial engagements with Japanese. Others who were unable to come here because they were on active duty elsewhere, will have their medals sent to them.

Before the ceremony Chiang Kai-shek made a brief speech in which he praised the officers and men of the Chinese Air Force who, despite handicaps, had "fought bravely in defence of the nation."

Reuter.

UNIFYING THE NATION

For Meeting Japanese Aggression

Hankow, Jan. 1. The Government has decided to increase membership of the Advisory Council which was formed on August 22 for the purpose of "unifying the nation for meeting Japanese aggression" to seventy-five.

In addition to the original councillors, the Secretaries-General of the five Yuans (the Executive, Legislative, Judicial, Examination and Control Yuans) will also serve, as well as one representative each of the provincial municipal governments.

Of the nine candidates from the Commission for Mongolian and Tibetan Affairs and the Overseas Chinese Affairs Commission, three will be appointed members of the Council.

If there should still be vacancies, the Government will fill them in order to bring the number of members to seventy-five.

The statement announcing the above says it is difficult to hold elections in time of war, and expresses the wish that persons chosen would measure up to public expectations, "thereby demonstrating the solidarity of the people behind the Government in the efforts to realize the principle objective—a victorious conclusion to China's armed resistance against Japan."

Reuter.

KING'S

SHOWING TO-DAY
 DAILY AT 2.30, 5.10, 7.15 & 9.30 P.M.

THE LAUGHS ARE GUARANTEED!

When they sing...when they dance...the West goes wild and woolly!

LAUREL HARDY in Way Out West

Presented by HAL ROACH STUDIOS

A STAN LAUREL production
 Directed by James W. Horne
 Screen play by Charles Rogers, Felix Adler and James Parrott
 A Metro-Goldwyn-Mayer Picture

WEDNESDAY "RACKETEERS IN EXILE"
 Columbia Picture with George Bancroft, Evelyn Venable, Wynne Gibson

ALHAMBRA

TO-DAY AND TO-MORROW
 An unusual fast moving musical romance with four furiously funny comedians!



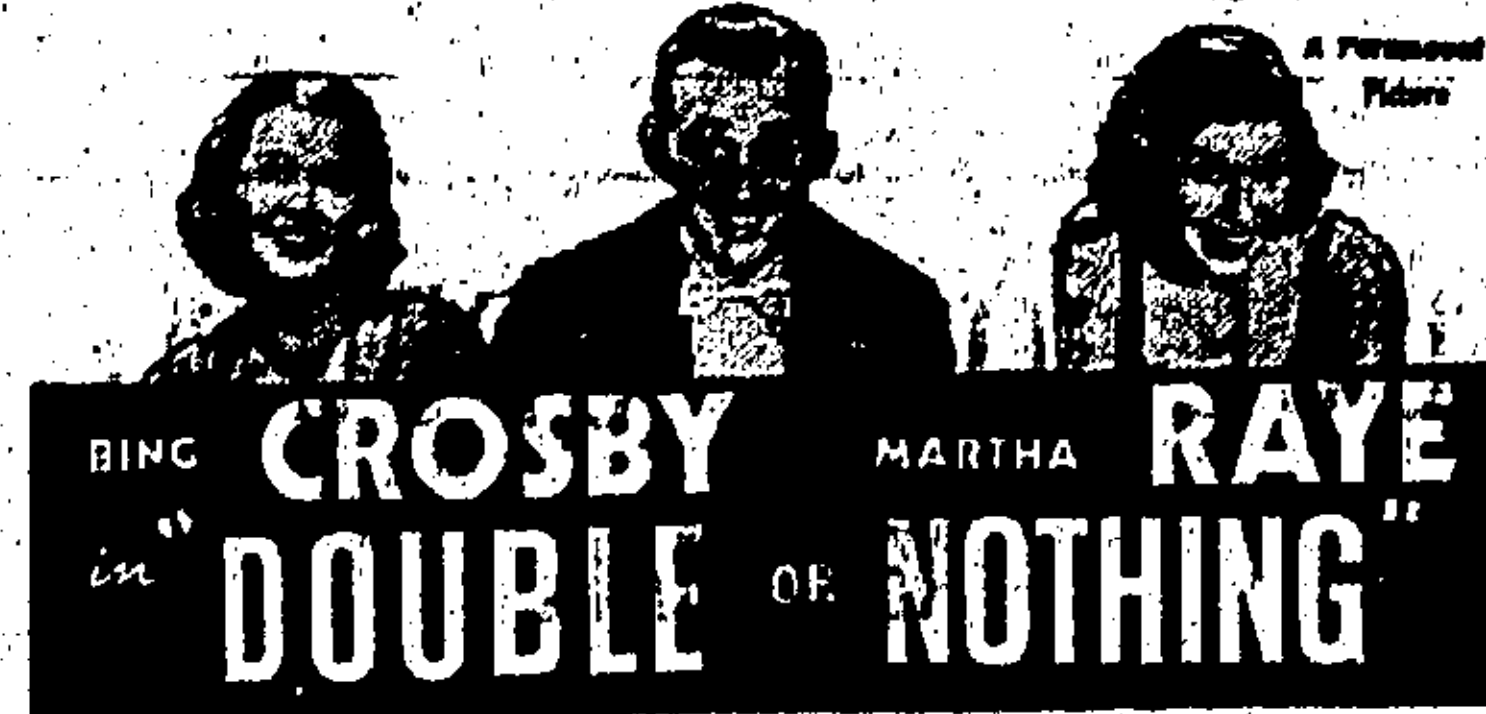
MARLENE DIETRICH in "ANGEL"
 Herbert Marshall - Melvyn Douglas

ORIENTAL

LAST 4 TIMES TO-DAY

FUNNIEST SHOW IN MANY MONTHS
 In his will an eccentric millionaire leaves \$5,000 to four unknown persons, to anyone of the four who can honestly double this sum in thirty days is to win one million dollars.

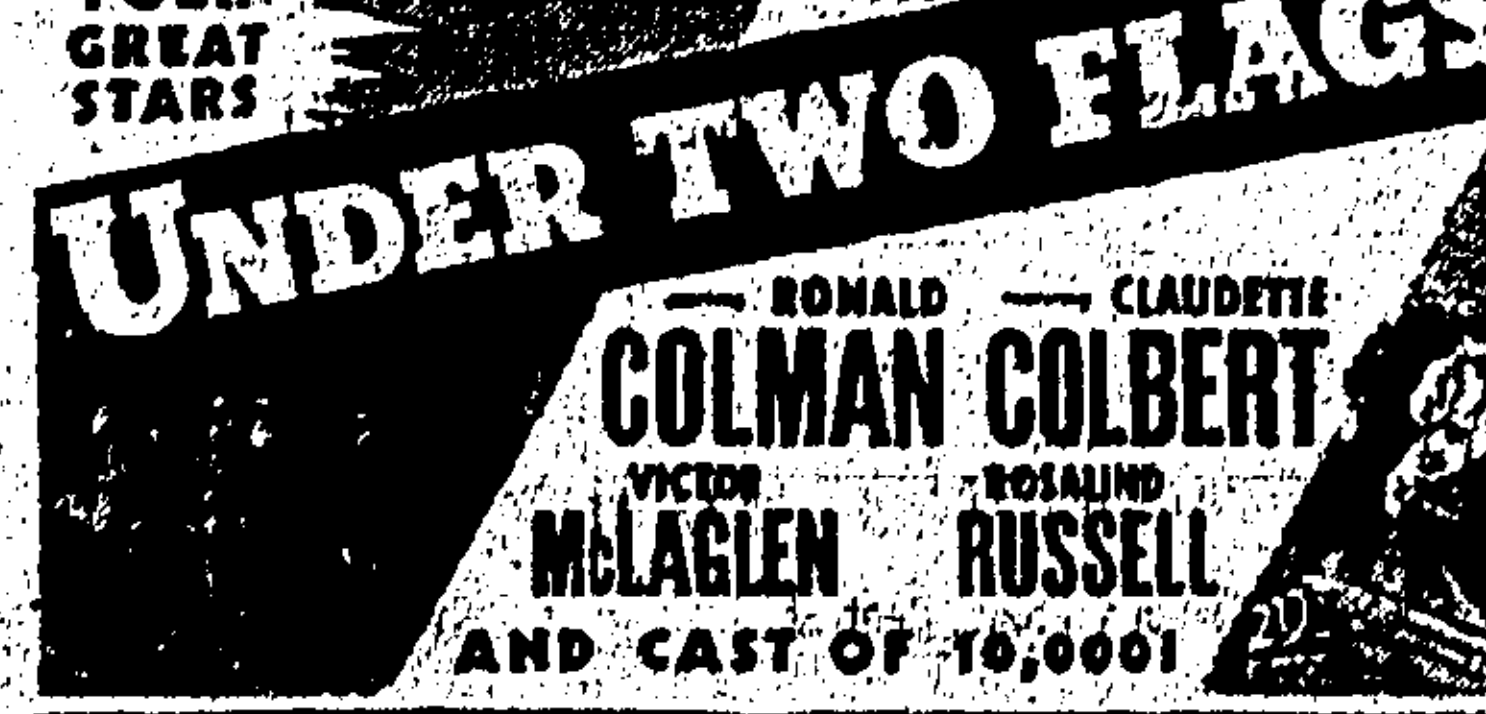
IT'S FILLED WITH LAUGHTER AND FUNNY SITUATIONS!



2 DAYS ONLY TO-MORROW & WEDNESDAY
 MIGHTIEST EMOTIONAL SPECTACLE-DRAMA WITHIN MEMORY!

Nothing less than a cast of 10,000 could depict the spectacular sweep of Ouida's unforgettable story of the French Foreign Legion.

HORDES OF WILD-RIDING ALGERIAN MAD-MULLAHS!



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MAJESTIC THEATRE

MATINEES: 20c-30c-50c-70c EVENINGS: 20c-30c-50c-70c

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A PICTURE AS BIG AS THE SEVEN SEA!
 A STIRRING SAGA OF IRON MEN ON WOODEN SHIPS TO THRILL YOU... TO TOUCH YOUR HEART!

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Freddie Bartholomew
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 LIONEL BARRYMORE
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 VICTOR FLEMING Production
 A Metro-Goldwyn-Mayer Picture

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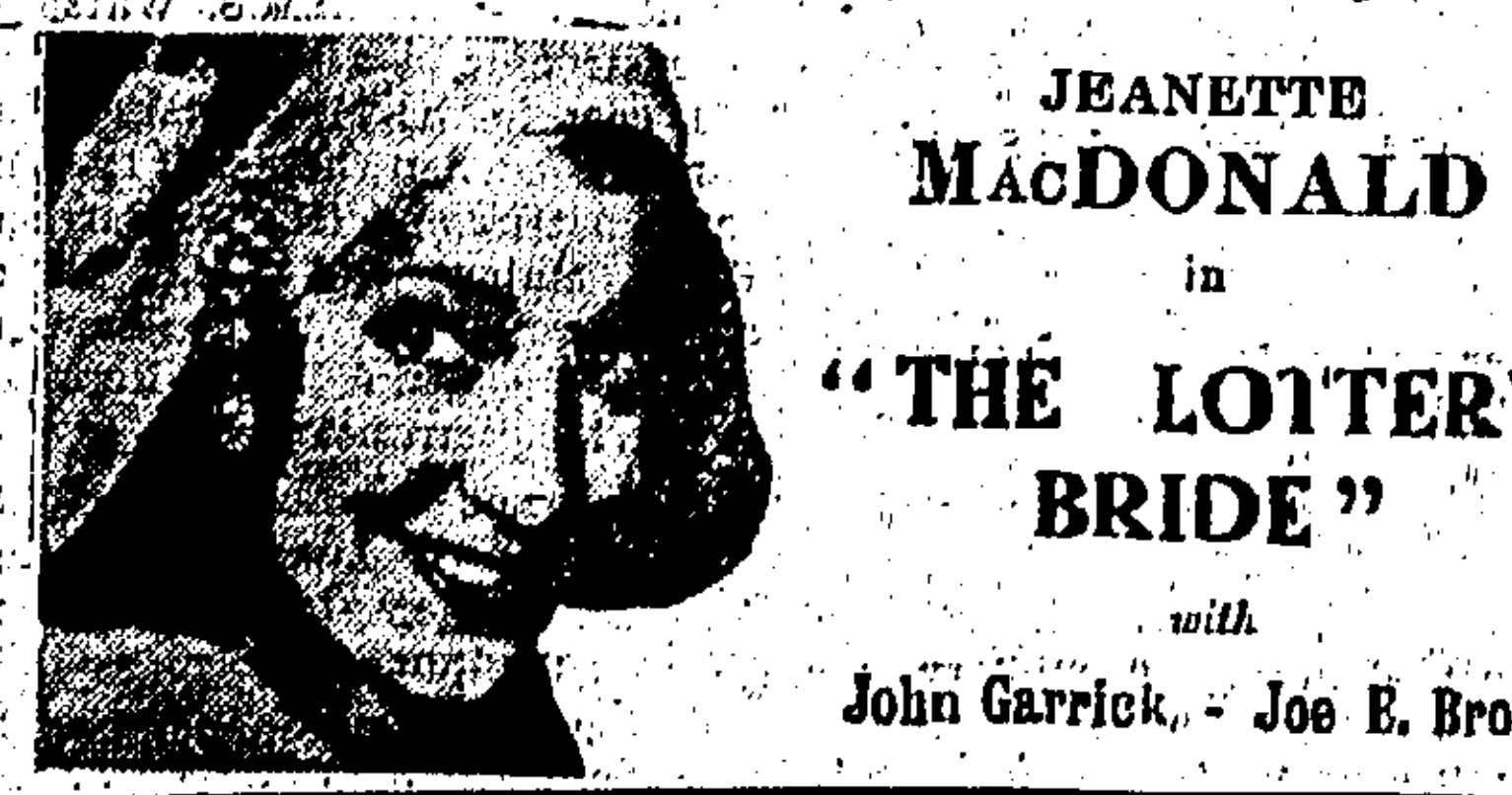
NEXT CHANGE

EDWARD G. ROBINSON in "DARK HAZARD"

A WARNER BROS. PICTURE

STAR

TO-DAY ONLY



JEANETTE MACDONALD in "THE LOTTERY BRIDE"

John Garrick - Joe E. Brown

TO-MORROW JANET GAYNOR - FREDRICK MARCH in "A STAR IS BORN"



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Trubenising is a new scientific process which has been proclaimed the greatest discovery of the present century. A collar so treated will retain its next appearance for the life of the shirt. Here are a few of its special features:—

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- Will not wrinkle or crease under any conditions.
- Is as porous and absorbent as any soft collar.
- Will retain its smooth immaculate finish after laundering.
- Can be washed like any other soft collar.
- Requires no starch.
- Wears longer—stretching the life of collars.

New Shirts with Trubenised Collars have just been unpacked.

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Specialists in Gentlemen's Wear

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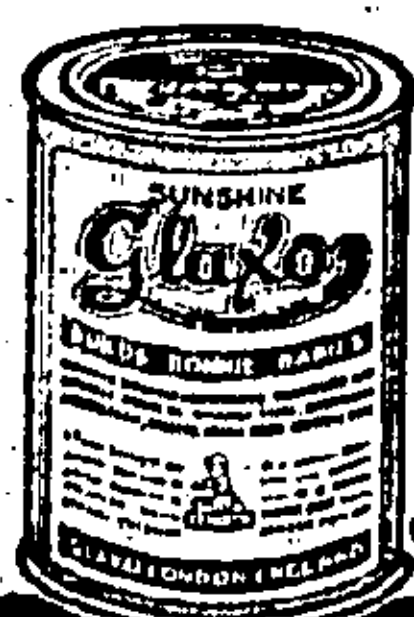
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2. Because it contains added iron to prevent nutritional anaemia. Cow's milk is notoriously deficient in iron. "The feeding of infants with milk to which iron has been added, considerably reduces the incidence of nutritional anaemia, raises resistance to infections, and improves growth" (Ministry of Health's Circular 1290, 1932).

3. Because Glaxo is close to breast-milk in composition, is easily digested and is safe for your baby in all climates.

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NEW YEAR'S HONOURS

Viscounty For Lord Nuffield Outstanding Feature Of List

FIVE NEW PEERS: NEW KNIGHTS

London, Jan. 1.

At the head of the New Year's Honours is the Viscounty conferred to Lord Nuffield for public and philanthropic services.

In recent years, Lord Nuffield has made a series of benefactions of unprecedented munificence for the benefit of the distressed areas, for medical research at Oxford and for a new college there to be devoted to post-graduate research on social sciences in which academic and practical minds will be brought into collaboration.

Another philanthropist, Mr. E. W. Meyerstein, who has given large amounts to the Middlesex and other hospitals, is included among the thirty-five new knights.

BARONS

Five new Barons are:

Field-Marshal Sir William Birdwood, Commander-in-Chief, Indian Army, 1925 to 1930, and now Master of Peterhouse, Cambridge.

Sir Leonard Brassey, former Unionist M.P.

Sir John Gannon, Unionist M.P. for Ipswich.

Sir Henry Lopes, Chairman of Devon County Council, and

Sir Percival Perry, Chairman of the Ford Motor Company.

PRIVY COUNCILLORS

Sir John Anderson, lately Governor of Bengal, is made a Privy Councillor, along with

Mr. R. S. Hudson, Secretary to the Department of Overseas Trade, who has held a number of junior Ministerial posts since 1931, and Lord Lucan, Captain of the Gentlemen-at-Arms.

BARONETRIES

Five baronetcies are conferred, the recipients including

Sir Vernon Thomson, Chairman of the Tramp Shipping Subsidy and Administrative Committees.

KNIGHTS BACHELOR

Included among the new Knights Bachelor are:

Mr. G. Reeves Smith, Chairman of the Coronation Accommodation Committee.

Dr. Sibby, Vice-Chancellor of Reading University.

The Reverend Herbert Dunsen, Deputy Chairman of Ways and Means between 1929 and 1931, and Mr. Robert Simon Rolo, for services to the British community in Egypt.

Mr. H. A. Gynne, editor of the "Morning Post" until its recent amalgamation with the "Daily Telegraph," becomes Companion of Honour.

Sir Robert Vanittart, Permanent Under-Secretary for Foreign Affairs, whose appointment to the new post of Chief Diplomatic Adviser responsible directly to the Foreign Secretary is announced simultaneously, is promoted in the Civil Division of the Order of the Bath to Knight-Grand Cross.

ORDER OF BATH

Appointments to the Civil Division of the Order of the Bath include Sir Archibald Carter, Permanent Secretary to the Admiralty, and

Mr. Kenneth Clark, Director of the National Gallery and Surveyor of the King's Pictures, both as Knights Commander.

Promotions in the military division of the Order of the Bath include Admiral Sir Roger Backhouse, Commander-in-Chief, Home Fleet, and

General Sir A. Wauchoppe, High Commissioner, Palestine, to be Knights Grand Cross and

General Lord Gort, Chief of Imperial General Staff, to be Knight Commander.

K.C.M.G.

Dr. Earle Page, Minister for Commerce and Deputy Prime Minister of Australia, is appointed Knight Grand Cross of the Order of Saint Michael and Saint George.

Other appointments to, or promotions in, the Order of Saint George are:

Sir Francis Floud, High Commissioner in Canada, as Knight Commander.

Mr. A. F. Grimble, Governor of the Seychelles and

Sir Wilfred Southern, Governor of Gambria and former Colonial Secretary in Hong Kong, also as Knights Commander.

The Sultan of Shihir and Mukajia, Aden Protectorate, becomes sub-honorary member, second class, of Knight Commander.

Other appointments to, or promotions in, the Order of Saint George, include Mr. H. H. Hall, an Inspector-General of Consular Establishments, and

Sir E. Monson, Minister Designate to Sweden, to be a Knight Commander, and

Mr. J. L. Dodds, Acting Counsellor at Tokyo, and Mr. H. Lloyd Thomas, Minister at Paris, to be Companions.

Other new Companions are Mr. Francis Hemming, Secretary of the Non-Intervention Committee, and

Lieutenant-Colonel C. E. D. Bridge, Secretary General to the British Council.

GRACIE FIELDS

The stage is honoured in the C. B. E. conferred on Miss Gracie Fields.

Mr. J. B. Morick, Assistant Vice-Marshal of the Diplomatic Corps, becomes a Knight Commander of the Royal Victorian Order.

Lord Horder Physician in Ordinary to the King, is promoted G.C.V.O.

Notable among women recipients of honours is Mrs. Fyfe, who presided at the last annual Conservative Conference, and is promoted Commander of the Order of British Empire.

K.B.E.

Sir Andrew Duncan, Chairman of the Central Electricity Board from 1927 to 1935, who resigned to undertake a post in connection with the reorganisation of the iron and steel industries, is made Knight Grand Cross of the British Empire.

Mr. W. A. MacCallum, Chairman of the British Chamber of Commerce at Buenos Aires, becomes a C.B.E.

Mr. A. S. Clavert, until recently Consul at Jeddah, is appointed Officer of the Order of the British Empire.

Air Marshal W. G. S. Mitchell, member for Personnel on the Air Council, becomes Commander of the Bath.

British Wireless.

LOCAL RESIDENTS HONOURED

Hong Kong's share in the New Year's Honours list is made up of only three names, but the Colony will no doubt extend the heartiest congratulations to the recipients of the honours.

The Hon. Mr. T. N. Chau, senior unofficial Chinese member of the Legislative Council, long prominent in public affairs in the Colony, receives the C.B.E.

Major Johnson has been awarded the O.B.E., and the Hon. Mr. T. H. King, Commissioner of Police, receives the King's Police Medal.

MR. T. N. CHAU

The Hon. Mr. T. N. Chau, has been a member of the Legislative Council since 1931, and prior to that was active on the Sanitary Board (Urban Council). He has been prominently identified with Chinese public service for many years, being active on the Permanent Cemetery Committee, the Public Dispensaries Committee and the District Watch Committee, among others. He is at present Chairman of the Tung Wah Hospital Board.

KEEN VOLUNTEER

Major M. A. Johnson, a member of the firm of Dodwell and Company, has been closely connected with the Hong Kong Volunteer Defence Corps and is now on the Reserve of Officers of the Corps.

COMMISSIONER OF POLICE

The Hon. Mr. T. H. King, Commissioner of Police, who is due for retirement soon, it is understood, has been a member of the Hong Kong Police Force for 35 years, having joined as a Probationer in December, 1904. He was appointed Assistant Superintendent of Police in 1912, Deputy Superintendent in 1921, and several times acting L.G.P. prior to receiving the substantive appointment in 1935.

TERUEL FRONT TRAGEDY

Death Stalks Reuter's Correspondent

Paris, Jan. 1.

Details of the tragic accident on the Teruel front, in which a press car was trapped in an artillery barrage in the village of Caude, resulting in the deaths of Mr. E. R. S. Sheepshanks, Reuter's correspondent, and Mr. Bradish Johnson, of the American magazine "Spur," are given by the special correspondent of Havas, the French news agency.

Mr. Nell, correspondent of the Associated Press of America, was severely wounded, and Mr. H. A. R. Philby, London "Times" correspondent, received a slight head wound.

Insurgent troops were advancing through Caude, six miles outside Teruel, after a preliminary artillery barrage.

The Government artillery had just begun to reply when five cars bringing a number of foreign journalists to witness the battle, arrived in the village and found themselves under intermittent Government fire.

A shell suddenly exploded a yard in front of the leading car, in which the above correspondents were travelling.

The car was completely wrecked. Mr. Johnson being killed instantly and Mr. Sheepshanks being very badly wounded in the head and arm. He was rushed to military hospital unconscious and died in the evening.

The following cars escaped damage but while the journalists' colleagues were engaged in extricating the victims, another shell burst twenty yards away, hitting five soldiers.

SHEER ACCIDENT

Hendaye, Jan. 1.

Reuter's special correspondent, Mr. E. R. S. Sheepshanks, was killed yesterday while motoring to observe the battle in the Teruel area.

An American correspondent, Mr. Johnson, of the magazine "Spur," was also killed, while Mr. Nell, of the "Associated Press," was wounded in the leg.

It is understood that the car suffered a direct hit by a shell. It was undoubtedly a sheer accident.

Reuter.

HEAVY SACRIFICES IN TERUEL BATTLE

Paris, Jan. 1.

All reports from Spain indicate that the battle for Teruel has been, and is, one of the bloodiest of the whole civil war.

Both sides have lost fantastically heavy numbers of men; the Republicans in the actual attack on Teruel, and the Nationalists in the battle among the hills being fought by Gen. Aranda's relief column.

The insurgents predict the relief of Teruel in the next 24 hours, but although the Republicans admit the loss of a few positions to the rebel relieving column, the claim is slightly optimistic.

In Teruel itself, the buildings of the Bank of Spain have been blown up, while the rebels still holding out in the Santa Clara Monastery are now entirely surrounded.

Transocean.

SOVIET EMBASSY DESTROYED BY FIRE

Shanghai, Jan. 1.

A Japanese report from Nanking says that the Soviet Embassy there was completely destroyed by a fire of unknown origin today.

The Embassy had not been occupied since transfer of the staff to Hankow.

Reuter.

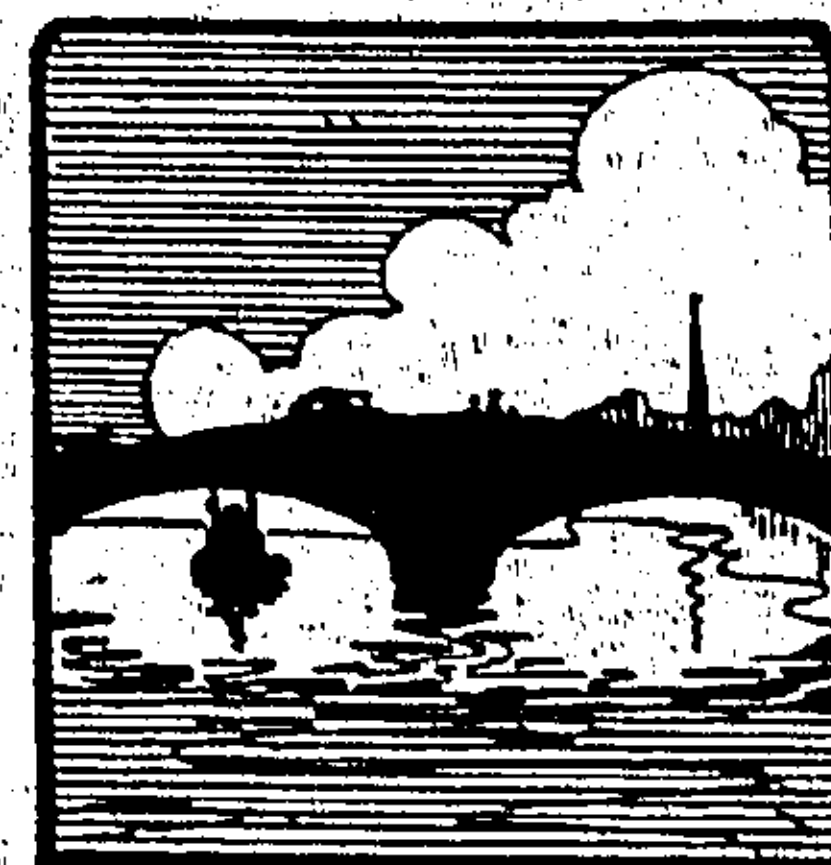
BRITISH TROOP MOVEMENT

London, Jan. 1.

Official quarters in London categorically deny the rumours to the effect that British troops being moved from Palestine to Egypt has any bearing on the political crisis.

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DEATH OF MR. HANS NIELS ANDERSON

Copenhagen, Jan. 1.

The death occurred yesterday of Mr. Hans Nilsen Anderson, founder and leader of the East Asiatic Company.

Reuter.

EXTRAORDINARY CAREER

Copenhagen, Jan. 1.

The Copenhagen newspapers on the occasion of the death of Mr. Hans Anderson, recall his extraordinary career.

He was 85 years old when he died after an amazingly full life.

The son of a farmhand in a small Danish port, he went to sea and sailed to the Far East as a cabinboy.

He started on his own at Bangkok and in 1897 founded in Copenhagen the East Asiatic Company, which was to become the largest commercial enterprise in Denmark.

Transocean.

NEW BATTLESHIPS

London, Jan. 1.

Three to five new battleships are confidently predicted in the Navy Estimates for 1938, says Mr. Hector Bywater, the naval correspondent of the "Daily Telegraph."

Thus, ten capital ships may be building during 1938 to 1939, and it may be necessary to lay the keels of two ships at Portsmouth and Devonport.

Mr. Bywater declares that if the balance of power is to be maintained, more battleships must be started this year, for when the five building enter service, Germany, Italy and Japan will have at least nine similar ships ready.

He adds that this year's battleships are expected to be more powerful than the King George V.

Reuter.

Warspite To Join Mediterranean Fleet

London, Jan. 1.

The battleship H.M.S. Warspite, reconstructed at a cost of £2,250,000, goes to the Mediterranean on January 4, when there will then be three battleships (H.M.S. Barham, H.M.S. Malaya and H.M.S. Warspite) and two battle cruisers (H.M.S. Hood and H.M.S. Repulse) in the Mediterranean.

The brand-new cruiser H.M.S. Birmingham is now being fitted out preparatory to joining the China Squadron.

Although no large additions to the British Squadron in the Far East at present are contemplated, it is understood that such could easily be arranged if necessary.

Reuter.

MESSAGE OF GOODWILL

Shanghai, Jan. 1.

After anchoring at Kowah for several days in the course of her journey down river, H.M.S. Cricket arrived in Shanghai today. She was escorted through the Gap in Kiangyin boom by a Japanese destroyer which flashed a message of goodwill as the gunboat steamed down the river.

The Cricket, it is understood, has come to Shanghai to pick up the British Consul-General, Mr. Priddleaux-Brune, the military attaché, Lt.-Col. Lovat-Fraser and Herr Rosen of the German Embassy staff.

She is leaving very shortly for Nanking.

Reuter.

THE SERVICES

ROYAL NAVY

CHIEF ENGINEER AT GIBRALTAR

The appointment dates from Dec. 17 of Engineer Captain A. C. Bray to H.M.S. Cormorant for duty as Chief Engineer at Gibraltar Dockyard. He succeeds Engineer Captain P. D. Fulford, who has held the post for nearly four years.

LAUNCH OF THE SIKH

The destroyer Sikh was launched on Dec. 17 at the Goyan shipyard of A. Stephen and Sons, Limited. The Sikh belongs to the 2nd Tribal Flotilla, ordered in June, 1935, under the construction programme of that year, and is similar to the Zulu, of the 1st Tribal Flotilla (1935 programme), launched by the same firm in September. They will have a displacement of 1,850 tons and a main armament of eight 4.7 in. guns. The only previous ship of the Navy named the Sikh was an Admiralty "S" class destroyer ordered in April, 1917, and commissioned just over a year later by Commander H. G. Campbell, C.V.O., D.S.O., with Lieutenant V. A. C. Crutcheley, V.C., D.S.C. (now Captain of the Warship) as second-in-command. This vessel served in the Mediterranean until 1923, and was then reduced to reserve at Rosyth until 1928, when she was scrapped.

STAFF COURSE CONCLUDED

The 1937 course at the R.N. Staff College, Greenwich, ended on Dec. 17. Among the students who have already received new appointments are Commander C. H. Duffell, who is to join the Plans Division, Admiralty; Commander R. J. R. Denny, who will succeed Commander C. T. M. Pizey in the destroyer depot-ship Woolwich at Malta; Commander J. J. Weld, M.V.O., who is to be the first commander of the new cruiser Liverpool; and Commander E. F. V. Dechaineux, of the Australian Navy, who relieves Commander N. W. Davis in the Tactical Division, Admiralty. The 1938 staff course will begin on January 11.

YANGTZE ENGINEER OFFICER

Commander (E) J. D. N. Ham has been appointed to H.M.S. Bee as engineer officer of the gunboats stationed in the Yangtze, and for duty at Shanghai. Commander (E) J. G. Moncrieff has served there for three years. Commander Ham, who entered Osborne as a cadet in May, 1916, was promoted to his present rank in June last while serving in the battleship Malaya. He had formerly been engineer officer of the destroyers Whitley and Duchess, and in 1929-31 was on the staff at Keyham College.

NAVAL APPOINTMENTS

The following appointments were made by the Admiralty on Dec. 16—

Capt.—W. R. Patterson, C.V.O., lent to Royal Australian Navy, from Feb. 15, 1938.

Cdr.—R. F. Elkins, E. G. A. Clifford, to Cumberland (Feb. 25). Engr. Cdr.—S. J. Armstrong, to Danae.

Payr. Cdrs.—J. R. Cundall, to Hood (Jan. 1); W. McBride, to Cumberland (Feb. 26).

Lt.-Cdr.—P. H. Matheson, to Cumberland (Feb. 25). Payr. Lt.-Cdr.—G. D. Selwood, to Drake (Jan. 8).

Lts. (E)—L. P. Barker, J. G. McDonald, G. W. Gay, to Dolphin for course (Jan. 3).

Payr. Lts.—J. E. Stevens, to Cumberland (Jan. 14); G. B. Teale, J. Charles, G. A. Williams, to Cumberland (Feb. 26).

Sub-Lt.—M. E. Faber, to Lucia (Dec. 11).

Act. Payr. Sub-Lt.—W. J. N. Rutherford, to Galatea (undated).

Payr. Mid.—J. R. Simpson, to Cormorant (undated).

Wt. Engrs.—E. R. Read, H. E. Archer, G. P. Bennett, to Dolphin for course (Jan. 3). H. E. Mason, to Eritham (Jan. 4).

Schoolmasters.—L. E. Greenwood, to Wildfire (not warped) (Dec. 9); H. G. Hallum, to Glorious (Jan. 4); W. E. T. Golding, to Ingfield (undated).

Wt. Wardmasters.—R. E. Dickie, to Malne (Jan. 10); W. G. Collins, to R.N. Hospital, Chatham (undated).

PROMOTIONS

Lts.—D. H. Fuller, S. W. D. Colls (Ft. Lt., R.A.F.), to rank of Lt.-Cdr. (seny. respectively, Dec. 15 and 16).

Lt. (Retd.).—A. J. Tillard, to rank of Lt.-Cdr. (ret'd.) (seny. Dec. 16).

Payr. Lt. (Retd.).—F. C. Martyn, to rank of Payr. Lt.-Cdr. (ret'd.) (seny. Dec. 17).

THE ARMY

1ST A.A. GROUP AND R.A.S.C. CHANGES

Brigadier Arthur A. S. Younger, D.S.O., who is vacating command of the 1st Anti-Aircraft Group at Blackdown next year, will be 57 on June 3, when Colonel Robert B. Pargiter leaves the Directorate of Military Operations and Intelligence to succeed him.

Colonel Valentine O. Beutler, D.S.O., who is to go to Salisbury H.Q. in charge of the supplies and transport work of the Southern Command, was promoted in July, when commanding the R.A.S.C. of the 3rd Division at Bulford.

Lieutenant-Colonel Horace A. C. Gardner, the new A.D.S.T. Malta, is commanding the R.A.S.C. in Northern Ireland.

APPOINTMENTS IN INDIA

Major H. J. Rice, C.I.E., M.C., has been appointed D.A.D. of Medical Services at Southern Command Headquarters, Poona, vice Lieutenant-Colonel A. H. Craig.

Major A. C. Wilson, 3rd Battalion, 14th Punjab Regiment, who has been officiating as Assistant Commandant at the Army School of P.T. Ambala, has been confirmed in the appointment, vice Lieutenant-Colonel L. H. Tinney, O.B.E., who has vacated the post.

ROYAL AIR FORCE

THORNABY STATION COMMAND

Group Captain A. H. Jackson, who has served at Uxbridge for four years, both in command of the R.A.F. Depot and as Officer in charge of Administration, Bomber Command, is appointed in command of the air station at Thornaby, near Stockton-on-Tees. Two general reconnaissance squadrons and No. 908 (North Riding) Squadron of the Auxiliary Air Force are stationed here.

PALESTINE STAFF

Wing Commander C. E. V. Porter has been appointed Senior Air Staff Officer in the Palestine and Transjordan Command, and is succeeded in command of No. 4 Armament Training Camp at West Freugh, Stranraer, by Wing Commander R. S. Sorley, O.B.E., D.S.O., D.F.C., from the Directorate of Organization, Air Ministry. Wing Commander Porter has previously served in Palestine with armoured car and other units. He came to the R.F.C. in June, 1916, from the Essex Regiment, and accompanied No. 41 Squadron to France in October of that year. He is an armament specialist and has graduated at the Staff College.

The passing-out inspection of aircraft apprentices of No. 1 School of Technical Training, Halton, was held on Dec. 21. The inspecting officer was Air Marshal Sir Charles Burnett, K.C.B., C.B.E., D.S.O., Air Officer Commanding-in-Chief, Training Command.

"FUN FAIR" A SUCCESS

The "Fun Fair" held by the Hong Kong Students' Relief Association at St. Paul's College on Saturday in aid of medical relief work in the North and Central China war zones, was an unqualified success, a large number of people turning up and a spirit of enthusiasm prevailing throughout.

The total sum taken is not yet known but it is understood that the refreshment department alone realised something like \$1,000. The proceeds will be sent to the Hong Kong Chinese Medical Relief Association and the Canton Christian Union.

The Hon. Mr. M. K. Lo, who is Honorary Adviser to the Association, opened the fair and made a speech appealing to visitors to do everything they could to make it a success.

In a report to the Police, John David Phillips, residing at Room 54, European Y.M.C.A., stated that between 9 p.m., on Friday and 7.30 a.m. on Saturday, someone entered his room by the front door and stole the sum of \$800 from his chest-of-drawers. The money was in \$10 and \$5 notes.

It is learned that as a result of the numerous applications for enrolment in the No. 4 Machine Gun Company (Chinese), it has been decided to increase its strength by one platoon of 30 men.

It is possible that later on a further extension will be authorised. More than 120 are on the waiting list.

TOC H BIRTHDAY MARRIAGE ALLOWANCES

Ceremony At York

LORD HALIFAX ON THE SENSE OF UNITY

The following message from the King was read by Lord Halifax recently to the 2,000 Toc H members assembled at York from all parts of Britain at the twenty-second birthday festival of the movement, and the first of the series to be held in York:

As Patron of Toc H, I send my best wishes to the members assembled in York for the Birthday Festival. I am confident that in the coming year they will spare no effort to cultivate among their fellows the spirit of mutual understanding and voluntary service, which it is the aim of Toc H to apply to the urgent problems of to-day. The Queen, as Patroness of the Toc H League of Women, joins with me in hoping that this spirit will be strengthened by the World Chain of Light, in which, on its way round the world, your gathering is taking part to-night, and which will, I feel sure, bring inspiration to members of Toc H in every land.

GEORGE VI

Lord Halifax as president of the festival has lit the lamps of 90 new branches, 70 in this country and 20 in all parts of the British Empire overseas and in one or two places outside its bounds. The beautiful and impressive ceremony here represented the home country's part in this year's World Chain of Light by which the Toc H movement is now yearly celebrated in every continent. The one disappointment was the absence through illness of Lord Middleton, who is chairman of the East Yorkshire Area Executive.

MINSTER SERVICE

The predominantly religious character of the Toc H movement was emphasized by the Act of Worship with which the festival opened in York Minster last night, by the Communion Service there this morning, and by the final "Family Gathering" at the York Assembly Rooms this afternoon, when the Archbishop spoke. The Minister service drew a congregation, all members of Toc H, that filled the nave, and there were about 80 padres, some of them Free Church ministers. The service was conducted by the Founder Padre (the Rev. P. B. Clayton), and the sermon was preached by Bishop Embling, vicar of St. Paul's Hull.

The birthday festival at the York Exhibition Hall in the evening began with a sing-song, led by the band of the 1st Battalion, The York and Lancaster Regiment.

After a welcome by the Lord Mayor (Alderman C. T. Hutchinson), Major W. H. Carver, M.P., spoke of the satisfaction the Yorkshire branches felt in having their own Lord (Halifax) as the King's deputy at the festival. "Lord Halifax," he said, "joined Toc H as an ordinary member 10 years ago, when he was Vicar, and he then presented 'The Calcutta Lamp,' which would already have been relit that day. Referring to the growth of the movement, Major Carver said the Toc H movement could be described in one sentence. It stood for fellowship, fair-mindedness, and personal service, and he claimed that the ideals for which it stood and that the work on which it was actually engaged were in accordance with the mind of Christ.

MESSAGE FROM THE DESERT

The Founder Padre, who was received with the singing of "For he's a jolly good fellow," said the 2,000 Toc H members present each represented 20 home members and 10 members overseas, most of whom were assembled somewhere at this time. He reminded them that Toc H throughout the world was celebrating its twenty-second birthday in a chain of light round the world, and said, as one evidence of that, they had received a cable from Calcutta representing the 23 units in India who were joining or had already joined in sending the light on its way. "The telegram ran:—'Galaam from Toc H, India, and all our best to the vast gathering at York and to that great Vicar and member of our family, Lord Halifax.'"

Mr. Barclay Baron read a number of other Toc H telegrams that had been received, including one signed "Rutbah" and coming "from Halifa and Palestine and the part across the desert."

Lord Halifax said that what Toc H seemed to him to stand for chiefly was to try to keep alive some of the best things that were brought to mankind out of the

Army "Appeals To Celibates"

In the House of Commons recently Mr. PILKINGTON (Widnes, U.) asked the Secretary of State for War if he would give consideration to lowering the age at which marriage allowances were given to soldiers.

Mr. HORE-BELISHA.—The age limit before which a soldier is not eligible for marriage allowance has been deliberately chosen, having regard to a soldier's liability to movement at relatively frequent intervals.

Mr. SHINWELL (Seaham, Lab.).—Is the right hon. gentleman aware that the cost of this reform is comparatively small and that it is a very desirable one? Would he not agree to reconsider the matter?

Mr. HORE-BELISHA.—I will always agree to consider anything, but there should be no doubt or mistake about this. The Army deliberately "appeals" to celibates. (Laughter.)

Mr. SHINWELL.—Does that policy fit in with the general policy of H.M. Government?

Mr. PILKINGTON.—Does not my right hon. friend think that it is a bad thing if the Army is only to appeal to celibates?

Mr. HORE-BELISHA.—In fixing the marriage age at 26 we have not been unreasonable, because a man is subject to frequent movement and that would involve hardship to his wife.

"DRESSING UP IN NICE" UNIFORMS

Mr. O. LEWIS (Chelmsford, U.) asked if the right hon. gentleman had received any representations on this subject from the Minister of Health?

Mr. BELLENGER (Bassetlaw, Lab.).—In view of the right hon. gentleman's answer we are to understand that if a recruit applies to join the Army and states that he has married under this age he would be refused?

Mr. HORE-BELISHA.—The answer to the first question put to me by my hon. friend the member for Chelmsford is that I have received no such representation. In answer to the second question, no married man under 26 is enlisted in the Army unless he can show that his wife is financially independent.

Miss WILKINSON (Jarrow, Lab.).—May I ask why, if the Army appeals only to celibates the right hon. gentleman spends so much money in dressing them up in nice uniforms? (Laughter.)

horrors of 25 years ago—namely, the spirit of unity, that oneness of purpose that so wonderfully bound men together at that time and the spirit of quiet selfless service at its best. That call to service and self-sacrifice was felt by people in their homes and families, in their circles of friends, in their clubs, and trade unions, and in their relation to their country; but sometimes the thought occurred to all of them that all these lesser loyalties depended for their vitality upon the individuals making constant effort to reach out and to be and to do something bigger than that which was represented by any one of these loyalties separately. As he saw these things, even the nation that thought only about itself and had no room in its picture for the greater service of mankind became of humanity.

SEEKING NEW OUTLETS

If the work of Toc H was to go on in the right spirit it must be constantly seeking new outlets for its energy. That was why he felt that the work that was being done for the relief of sufferers from leprosy was one of the best things Toc H had ever undertaken. It was an example to be in many parts of the Empire. Toc H was also founded to perpetuate the sense of unity among men—that oneness that was so difficult to attain to-day in spite of all the improvements which science had made in the means of communication, but which sometimes seemed to be used to magnify misunderstanding and differences instead of to remove them.

"In all sincerity and in great humility I would say that no one whom accident has made to have some part to play in the relations of this country with other countries could possibly fulfil that part with any heart or faith unless he felt he had the support, the good will, and I will say the prayers of hundreds of thousands of his fellow men and women in this country in all parts of the world. Therefore let no man and no



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MORE EVACUEES ARRIVE

Last Train From North China

Hundreds of people gathered at the railway station in Kowloon on Saturday to greet the 289 evacuees—the last contingent to leave North China—who arrived on the "International Express" at 10.45 a.m. from Hankow. The train—a giant locomotive and 11 coaches—had a truly international character as the British, French, German, Russian and American flags adorned the roofs of several of the coaches, while the locomotive was of Czechoslovakian construction by the Skoda firm.

A Committee of three was appointed to look after the welfare of the passengers, these being Engineer Comdr. J. G. Moncrieff, of H.M.S. Bee, Mr. O. von Boddien and Dr. J. C. Thomson.

In an interview with the Press, Eng. Comdr. Moncrieff stated that they made the journey without a hitch probably due to the fact that the Japanese authorities had been given the customary 48 hours' notice. They had left Hankow at 9.30 a.m. on Thursday morning and had taken roughly 48 hours for the journey, which was very pleasant for all.

They had celebrated the coming of the New Year with songs and drinks in the Saloon, a member of the German community accompanying them on an accordion.

RUMOURS UNFOUNDED

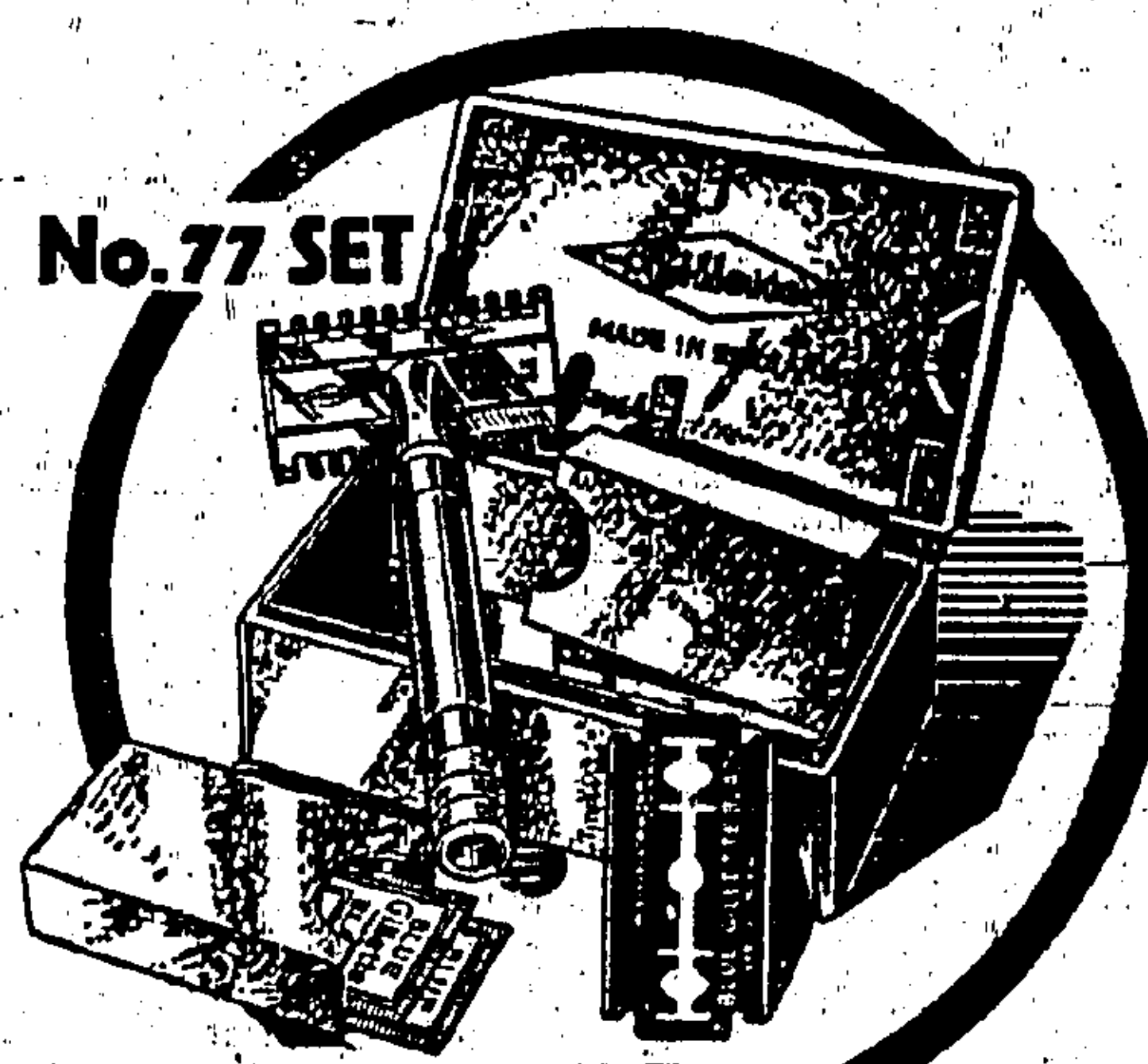
Comdr. Moncrieff stated that there was no question of there not being enough provisions or fuel for the British Naval gunboats at Hankow.

Among those who arrived on the train was Baroness Von Falkenhayn, wife of the German Military Adviser to the Nanking Government, C.P.O. Hedgeland, R.N., and six French Naval ratings.

Fifty people boarded the train at Changsha.

It is understood that 20 of the evacuees are being accommodated by the Government at the Refugee Centre at the old Central British School.

Woman connected with this great movement feel that he or she cannot affect the course of the world. They can; and it is a great responsibility for each one of us, its members, and I pray God that we may be worthy of it."



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GIVING THE WHITE FEATHER

General's Advice To Pacifists

The white feather for those who "do not wish to defend their country" was advocated by General Sir Hubert Gough, the Commander of the Fifth Army, when speaking in London recently at the annual dinner of the London Irish Rifles (the Royal Ulster Rifles).

"There was a time," he said, "when the women of this country expressed their disapproval of men who would not go to defend their country by presenting them with a white feather."

"I am not too sure that it would not be a good thing if they went back to that old custom."

WAR TO END WAR

"Ever since the last war there has been talk of it having been fought to end war, and that we also fought to make the world safe for democracy."

"So far as I can see, we have not achieved either."

"I have heard young men and women saying, 'I won't fight again, and then there will be no war.'"

"The falsity of that, has been exposed in Abyssinia and China. The Abyssinians and the Chinese did not want war, but that did not prevent it."

"For security there are two essentials—sufficient men and properly equipped forces."

"I, as a soldier, know quite well what it is to fight without sufficient men. You can't ensure victory without men."

THE INTERNATIONAL PEACE CAMPAIGN

If one reckons by numbers represented, the meeting of the International Executive Committee of the International Peace Campaign in London has been an event of considerable importance.

It is probably impossible to compute how many people throughout the world are indirectly linked to the campaign, but the organisations in France alone which are affiliated to it have a membership of some 15,000,000 people.

The campaign is probably stronger in France than in any other country, and several important Frenchmen were present to-day, including M. Pierre Cot (Minister for Air), M. Joulhaux (general secretary of the C.G.T.), and the secretaries of the French miners and co-operatives.

The committee was considering this morning reports of congresses held in nine different countries during the year. The I.P.C. recognises that, in spite of its huge mass of supporters, it cannot itself organise peace, but it hopes to influence individuals and Governments in support of the League of Nations. Its essential programme is to mobilise support of the Covenant of the League. There are many ways of doing this, some of which have not yet been fully exploited, and it is significant that the I.P.C. intends to organise next year in Geneva a special school to study the problems of peace propaganda.

ENGAGEMENT
WILKINSON-HAMMERTON.—The engagement is announced between Thomas Edward Wilkinson, and Miss Lillian "Hammer-ton, both of Shanghai.

MARRIAGE
HARRISON-HEDGES.—On December 24, 1937, in Cardiff, Wales, Mrs. Ruth Ann Hedges of Shanghai to Mr. John Wilson Harrison of Cardiff. (By cable).

DEATHS
NEWMAN.—On December 14, 1937, at her home, Lane 235, House 7, Yu Yuen Road, Shanghai, Mrs. Mary Ann Newman, aged 51 years, widow of the late Mr. E. F. Newman.

PADUK.—On December 23, 1937, at 86 Edinburgh Road, Hermann Paduk, aged 37 years, of Messrs. Reuter, Brockmann and Company.

FERRERO.—On December 24, 1937, at St. Marie's Hospital, Fausto Ferrero, aged 42 years.

SCHERBAKOFF.—On December 26, 1937, at his residence, 658 Avenue Joffre, Mr. N. M. Scherbakoff, aged 55 years, the dearly beloved husband of Helen Scherbakoff.

SMITH.—On December 26, 1937, at The Country Hospital, Shanghai Gladys Smith, aged 42 years, widow of the late Mr. L. M. Smith of the Standard Vacuum Oil Company.

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The Daily Press
友之國中

HONG KONG, JANUARY 3, 1938.

THE POT AND THE KETTLE

The grim humour of a situation wherein a soot-covered cooking-pot solemnly rebukes a kettle for its begrimed appearance, commonly described as the "pot calling the kettle black" applies to the Japanese accusation against China regarding the latter's allegedly "anti-foreign" attitude.

Since the outbreak of the Sino-Japanese undeclared war in the summer of 1937, there have been many attacks in the Japanese Press on Great Britain. During the world war the Japanese newspapers were engaged in a stormy anti-British campaign in which objectionable references were made to the naval and military forces of Japan's "old friend and ally."

It is really amusing to read about the desperate efforts to show that Chinese hostility toward Japan is not the natural consequence of Japan's own actions but the result of some malicious third party. China to-day hates no one save oppressors and enemies and when her spokesmen at home and abroad speak of their desire to strengthen the friendly relations with nations which show a friendly attitude, their assurances are sincere. Furthermore, the rising generation in China is not being taught to regard every foreigner as a villain, and the steady flow of students from China to friendly foreign countries clearly proves the desire to modernise and keep in touch with the outer world.

To be on friendly terms with all nations is China's desire, but she cannot be expected to show friendly feelings toward those who seek to destroy her independence and deny her the right to exercise and enjoy the privileges of a free nation. The attitude of the National Government was clearly re-affirmed in a manifesto issued nearly a year ago, namely:—

"As to China's relations with other nations, we shall naturally proceed along the path of world peace and work for the enhancement of international friendship."

—a declaration which should dispose of all suspicions that China is troubled with xenophobia.

AIR-RAID PRECAUTIONS

"But one can never tell what the human race will do," said Lord Trenchard, speaking recently in the House of Lords on the Air-Raid Precautions Bill, a rather despairing comment which followed on the reflection that if that race had really learnt its lesson from the

SEVERE BLOW AT TERRORISTS

New Regulations For Settlement

Shanghai, Jan. 2.

Moving swiftly in an attempt to check terroristic acts in the International Settlement, the Shanghai Municipal Council, inspired by the recurring anti-Japanese incidents, has issued an emergency proclamation giving special powers to the police and promising rewards for information leading to the arrest of terrorists or the seizure of unauthorised arms.

The municipal proclamation says: "Whereas a period of grave emergency continues to exist and whereas also armed outrages continue to occur on a grave scale in the International Settlement; Whereas, accordingly, it appears necessary to the Shanghai Municipal Council to accord the Municipal Police certain emergency powers, it is hereby proclaimed:—

First, that any person committing an offence against armed forces in Shanghai in the International Settlement will be liable to be handed over to the armed force concerned.

Secondly, that any person committing an armed crime in the International Settlement will be refused sanctuary in the Settlement and be liable to expulsion from the Settlement.

Thirdly, that the Municipal Police has authorised the search of all premises, public or private, for unauthorised arms.

Fourthly, that a reward not exceeding \$500 will be paid to any person giving information that will lead to the apprehension of terrorists.

Fifthly, that a substantial reward will be paid to any person giving information that leads to the seizure of unauthorised arms."

—Reuter.

INJURED JOURNALISTS

E. J. Neil May Lose His Leg

St. Jean de Luz, Jan. 2.

It is feared that Edward J. Neil, Press correspondent, will lose his leg. According to a Havas message from Saragossa, where Neil is in hospital, he had a blood transfusion and has 34 shell splinter wounds in the thighs while the left leg is broken in two places.

Neil was injured while motoring to observe the Teruel fighting in company with Reuter's correspondent, E.R.S. Sheepshanks, and Johnson, correspondent of the American magazine, "Spur." The car suffered a direct shell hit.

last war any future one would be inconceivable. The juxtaposition of ideas probably expresses the mood of most people on this subject—shame and horror that the first and would-be paralyzing blow of modern warfare should be directed to strike panic into the heart of a civilian population, and at the same time a conviction that steps must be taken to avert that blow and reduce its consequences to manageable proportions. Two points that were mentioned in debate indicate what some people think about the reality of the threat that now hangs over most of Europe's capital cities. Lord Ellbank said that he understood that insurance companies were not prepared to accept the risk of widespread fires set up by incendiary bombs in London, and he therefore argued that the risk should be spread over the whole country and some form of national insurance set up to cover it. Another significant sidelight was Lord Munster's assurance for the Government that the Home Office had been maintaining for some time an official observer in Spain and that "special arrangements have been made for receiving information from China." Thus we learn from Guernica and Shanghai what the opening stages of any future European conflagration will be like. "One can never tell what the human race will do," but the dress rehearsals for the next disaster are already being watched with shrewdness by the critics most closely concerned.

In face of these and similar indications of the world which surrounds us it seems idle to argue that the moment is "inopportune" for the Bill which passed its second reading in the Lords. At least two years have already been lost in producing it, and the real question is not whether it is inopportune but whether it will be effective.

"MILITARY SERVICE OF THE CROWN"

A Territorial Officer

JUDGE'S RULING AS TO STATUS

The question whether an officer in the Territorial Army is "in the military service of the Crown" was raised before Mr. Justice Branson in the King's Bench Division recently. The Judge ruled that he was in that service.

Mr. J. M. Marchington, appearing for Mrs. Lorna Cousins, of Denison Avenue, Withington, Manchester, stated that her husband, Mr. Albert Edward Cousins, was a company (acting-regimental) sergeant-major in the Regular Army until January, 1930, when he retired. After a term of civil employment he secured the position of lieutenant and quartermaster in the 8th and 7th Battalion, Manchester Regiment, Territorial Army. He held that appointment till he died in February, 1936.

The question was whether he was an insurable person under the National Health Insurance Acts. If he was serving "in the military service of the Crown" then he was exempted from compulsory insurance, and the Minister of Health had held that Mr. Cousins was so employed. Mr. Marchington now submitted that the Minister was wrong.

Mr. Cousins was paid £150 a year and an additional £50 allowance, his cheques being signed by the chairman of the county association. He wore uniform only when on parade, and did mainly clerical work. He was in camp for one month a year, but did not attend the prescribed number of drills, and was not prohibited from holding civil employment. Further, his appointment was with the officer commanding his unit, after consultation with the county association.

"A GREAT DISTINCTION"

On the other hand, the appointment of an officer in the Regular Army came from the War Office, and there was a great distinction in the status of men in the two bodies.

Mr. Justice Branson: The Army and Navy are different, but they are both in the military service of the Crown.

"The status of the Territorial is different because he is not called upon to quell a breach of the peace," said Mr. Marchington.

"He is in the same position as the rest of us if called upon to assist in such a circumstance," the Judge replied.

Another thing which made the status of the Territorial officer different from the man in the Regular Army, said Mr. Marchington, was that he was under no term of service which would take him abroad on foreign service.

"That," the Judge said, "shows only a distinction in terms of service."

After hearing Mr. Valentine Holmes (for the Minister of Health) Mr. Justice Branson held that the Minister's decision was right.

He said there seemed no doubt that a man who held his Majesty's commission in the Territorial Army was employed in the military service of the Crown. It seemed to be clear that the Legislature regarded the force which was called into being and administered by county associations, as one of the military forces of the Crown other than regulars and their reserves.

The Judge granted a certificate accordingly.

BIG AIR FORCE

Franco Well Supplied With Planes

St. Jean de Luz, Jan. 2.

According to Nationalist reports of the Teruel fighting, forces belonging to General Franco captured 38 guns during yesterday's advance along the entire front.

The violence of the Nationalist counter-offensive at Teruel is confirmed by eye-witnesses who estimate that 60,000 troops are massed for Teruel's recapture, including Moors but no Italians.

General Franco is apparently well supplied with aircraft, over 200 having been seen in the air at one time.

Admitted to the Kwong Wah Hospital, on Saturday, Leung Shul-fuk, aged 13, suffering from internal injuries as a result of falling down the hold of a cargo boat onto some kerosene tins, died soon after admission.

IT IS QUICKER TO TRAVEL ROUND LONDON

SPEED ON CROSS-ROUTE TRAFFIC TESTS AVERAGED 12½ M.P.H.

There is now one motor vehicle for every 17 persons in Great Britain and one driving licence for about every twelfth person.

This is one of many interesting facts shown in the report, issued to-day, on the administration of the year 1936-37.

A special investigation into London traffic delays showed that it is slightly quicker to travel 22½ miles around London than to drive 12½ miles through the Metropolitan.

It is reported that payments from the Road Fund towards road costs, including block grants, totalled during the year over £21,000,000, an increase on the pre-1936-37 to nearly £28,000,000.

Nearly 2400 new pedestrian crossings were laid down during the year, bringing the total up to 27,000.

The net amount paid for the motor tax account to the Road Fund during 1936-37 was £27,427,000. Other Road Fund receipts included £126,800 from driving test fees, and brought the total receipts up to nearly £28,000,000.

FIVE-YEAR PROGRAMME

The total commitments of the Road Fund at March 31 amounted to £52,239,000, of which £37,317,000 was for improvements under the five-year road programme 1935-40 and £16,724,000 for long-term schemes.

Gross receipts from the taxation of road vehicles in the calendar year 1936 amounted to £32,320,000 which compares with £30,480,000 in 1935. The number of motor vehicles licensed increased from 2,581,000 to 2,768,000, while horse-drawn vehicles declined from 18,800 to 15,000.

The estimated cost of road improvement schemes submitted by highway authorities under the five years' programme up to March 31 was £144,500,000. At that date schemes reckoned to cost £73,312,000 had been approved in principle and the Road Fund contribution was estimated at about £43,881,000.

The number of new traffic light installations during the year was 188.

The speed limit of 30 m.p.h. in built-up areas was in force on 40,000 miles of road. The total mileage of roads in Great Britain in 1936 was 178,000.

AVERAGE SPEEDS

The average speeds along different parts of the routes varied widely, the lowest being:

Between Ludgate-circus and Commercial-road on the west-east route 5.85 miles per hour (on the slowest journey the pace dropped to 3.6 miles per hour).

Between Euston-road and Tottenham-square via Tottenham Court-road on the north-west-south-east route 7.7 miles per hour (on the slowest journey the figure was 6.3 miles per hour).

These low speeds, it is stated, rise gradually as the routes approach the outskirts, where average speeds of 18 miles per hour were not infrequently recorded.

—Evening Standard.

MOBILE RECRUITING OFFICE

NEW PUBLICITY FOR R.A.F.

A mobile recruiting office for the Royal Air Force was on view recently in the courtyard of Somerset House, and was there inspected by Lord Swinton, Secretary of State for Air, before setting out on a recruiting tour in the Midlands.

With Lord Swinton were Lieutenant-Colonel A. J. Muirhead, M.P. (Under-Secretary of State for Air), Air Marshal W. G. S. Mitchell (Air Member for Personnel), and Sir Donald Banks (Secretary of the Air Ministry).

ed at the mobile office, but arrangements will be made for applicants to be medically examined at the nearest recruiting depot.

The van is attractively painted in two shades of blue, the lower half dark, the upper half and the top in lighter blue. R.A.F. markings of red, white, and blue concentric circles are painted on the roof and the lower panelling on each side. The R.A.F. crest is on both sides of the car, together with the wording:—"Royal Air Force

Recruiting Office, Make Your Inquiry Here."

The vehicle has been supplied to the order of the Air Ministry by British Films, Limited, and is mounted on a 15-cwt. forward-control Commer chassis. Two full doors at the rear give access to the commodious interior, which is a self-contained office with artificial as well as natural lighting, a polished oak desk, and chromium-plated stools and settees. After visiting the Midlands, the van will tour the more remote districts in the North of England and Scotland.

Enlistment cannot be effected.

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JAPAN WANTS BRITAIN'S FRIENDSHIP

Imperial Anxiety Over Present China Situation

Tokyo, January 2.
The desire for readjustment of Japan's relations with Britain was expressed by the Foreign Minister, Mr. Koki Hirota, in a traditional New Year message.

Saying that Britain, "because of her old and important interests in China and because of the political implications of current events is gravely concerned over the present hostilities," Mr. Hirota emphasised that Japan had no desire to violate those interests.

"International friendship," Mr. Hirota continued, "is possible only when based on understanding. There are many Britons who do not take a broad view of the developments and criticise Japan's actions. Unavoidably the Japanese are unable to become reconciled with such an attitude."

Mr. Hirota said: "China stands to-day at the cross-roads. We can but hope, at the moment such as this, that Britain will understand the Japanese stand, and place reliance on Japan's professed intention to prevent bolshevization of the Far East and maintain peace in the Orient. We also hope that Britain will make every effort to prevent dislocation of the traditionally amicable Anglo-Japanese relation."

RUSSIA'S STAND
The message pointed out that last summer's conversation between the two Powers for readjustment of their relations were "arrested by the sudden outbreak of hostilities in China."

Mr. Hirota, turning to the Soviet, said: "Russia's stand in the current Sino-Japanese dispute is worthy of careful attention. We have the impression that the Sino-Soviet Non-Aggression Pact gave a political endorsement to the military aid at present given by Russia to the National Government. Having embarked on the campaign of chastisement of China we cannot but resent the Soviet attitude. We also regret that the Soviet has declined our request for the conclusion of a new fisheries convention and merely assented to the extension of the existing "Modus Vivendi."

JAPAN'S AIM
Tokyo, Jan. 2.
Japan's main aim in the current hostilities is to bring China "who has gone astray," to her beaten ways," Premier Konohe told the nation in a New Year message.

"This country desires to build a solid foundation for the progress and stability of the Far East and make the product a pillar of the universal peace structure," he said. In any age, Prince Konohe declared, "reforms meet with obstruction from conservatives. In the current crisis the world's progressive nations are with us, but the conservative Powers are bringing pressure to bear on our country."

Before Japan can achieve a "glorious glory," Prince Konohe emphasised, "she must mobilise every ounce of strength and use it in an efficient and organised manner. Following the fall of Nanking, Premier Konohe said, the National Government had become a weapon in the hands of the Communist Party—a destructive organisation. If Japan succeeded in uprooting the sources of the National Government's campaign of resistance, and removed the pressure applied

by it on the Chinese people "a real China, prosperous and active, would be born."

JAPAN WANTS PEACE
The Premier continued: "When the new Government created in such an atmosphere and clearly conscious of the true situation in the Far East, is brought into being it will have Japan's sympathy and support."

"It is a matter of regret for the future happiness of the two nations 'that there is, at least in parts of the world, a strong prejudice in dealing with essentials in Sino-Japanese relations. This situation calls for fresh faith and entirely different from the one now in favour and for the adoption of practical steps to establish peace. If Japan is asked what she wants most, there can be only one answer—peace in the Orient. In order to build a solid foundation under this peace, Japan must fight her present battle," Prince Konohe said.

IMPERIAL ANXIETY
Tokyo, Jan. 2.
"Universal materialism and egotism and the failure of the world to understand the nature of the sacred war being waged in China," are declared in a New Year message by General Sugiyama, War Minister, who said: "It is regrettable that the National Government, continuing its futile dependence on foreign countries, fails to realise the necessity of establishing peace in the Far East. If we turn to the world at large we see that an atmosphere of materialism and egotism is sweeping the universe. As it is impossible at this time to gauge the possible effects of this trend, we must be prepared to face all eventualities."

General Sugiyama continued: "On this day, praying for the continued enhancement of imperial prestige, we must resolve to surmount all difficulties with patience and perseverance. In a similar message Admiral Yonai, Minister of the Navy, also emphasised the need for making every effort to enhance imperial prestige. Although fortunately we have scored signal victories in the air and on the seas, we must realise, in view of the complicated international relations that the crisis is not yet ended. Having left nothing undone in our preparations for any emergency, we are determined to perform our duty in protecting the country and thus setting to rest the emperor's anxiety over the situation."

PREPARING FOR BIG TRADE

Japanese Ships For Shanghai

Tokyo, Jan. 2.
Another crack liner of 7,000 tons, a passenger ship, will be built by the N.Y.K. for the Japan-Shanghai run.

Four 4,500-ton freighters destined for the same route are already under construction in the yards at Kobe and Osaka. When these five ships are completed the N.Y.K. will have 14 vessels of an aggregate displacement of 57,000 tons on the Japan-Shanghai run. Officials of the concern predict that in a year's time ships will sail to Shanghai from Kobe every other day, from Yokohama every four days and from Nagasaki three times weekly.

"SHANGHAI CIVIC ASSOCN." REPUDIATED

Hankow Jan. 2: The so-called "Shanghai Civic Association" recently organised allegedly under the instigation of the Japanese military was repudiated at a joint meeting of the Shanghai Educational Association, the Agricultural Association, the China Cultural Reconstruction Association

the Residents' Associations in various districts in Shanghai and other civic bodies held on December 31, according to information from reliable sources.

The meeting decided to issue a manifesto denouncing the illegal organisation and warn all Chinese in Shanghai not to co-operate with it and those reportedly participating in it to resign as soon as possible.

To effect close co-operation between the various civic bodies in Shanghai the meeting also decided to form a joint office.

LUHOKOU RECAPTURED
Chungchow, Jan. 2: Luhokou, an important mining town on the northern Honan border, was reported to have been recaptured by a Chinese mobile unit.

It was stated that about 500 Chinese mobile troops crossed the Chang River under cover of night. Taken by surprise, the Japanese batteries at Luhokou opened a heavy fire but all missed their mark. Stealthily the Chinese troops spread out and surrounded the town.

When at dawn the small batch of Japanese troops saw they were besieged by Chinese troops, they were beaten by Chinese troops, they were beaten by Chinese troops, they were beaten by Chinese troops.



Lord Nuffield (formerly Sir William Morris) on whom a Viscounty in the New Year's Honours. Viscount Nuffield was raised to the Peerage in 1934.

"AUTONOMOUS COMMISSION" INAUGURATED

Japanese Flags Over Peiping

Shanghai, Jan. 2.
The so-called "Autonomous Commission" in Nanking was formally inaugurated yesterday afternoon with the Japanese flag and the five-barred flag of the "Provisional Government" of Peiping flying everywhere.

Japanese reports of the ceremony describe the new regime as one "entirely separated from the anti-Japanese and pro-Communist Kuomintang Government." Congratulatory addresses were delivered by members of the Japanese army and navy and by Kyoshi Fukui, acting Japanese Consul-General in Nanking.

The Commission's platform is outlined in a manifesto wherein the Kuomintang regime and anti-Japanese thoughts are denounced and wherein promises are made to enforce anti-Communist measures. The manifesto also advocates the formation of a union of pro-Japanese groups in various places in China in order "to bring about co-operation with Japan and endeavour to firmly establish peace in the Far East."

CHINESE FORCES NEAR HANGCHOW CITY

Tungku, Chekiang, Jan. 2: In a renewed counter-offensive the Chinese column from Fuyang, about 25 kilometres south of Hangchow, made a further advance of about 12 kilometres on the lakeside city to-day.

After a futile attempt at halting their advance, the Japanese unit dispatched to engage them retreated to Fantsun near Nanking, the south gateway to Hangchow.

Menaced by an imminent attack on the city, the Japanese troops have all been withdrawn to the suburbs and the Japanese military headquarters has been removed to Shishan on the Shanghai-Hangchow Railway, 64 kilometres from Hangchow.

Reports received here state that the Japanese have established three strong defence lines between Hangchow and Shanghai to prevent a Chinese attempt to retake the port city. The first line is around Taishanhsieh south of Wushong on the Nanking-Hangchow highway, the second line around Kashing on the Shanghai-Hangchow Railway and the third line in the suburbs of Shanghai.

RAIDS ON RAILWAY LINES

Canton, Jan. 2: Twenty-seven Japanese planes in four squadrons attacked the Canton-Kowloon Railway and the Canton-Hankow Railway shortly after noon to-day. Some ten bombs were dropped each at Shekha station on the former line and Wangshek and Litung stations on the latter line, causing slight damage to the tracks.

Bombs were also released on the Bocca Tigri Forts, Whampoa and Tsungia.

JAPANESE ORGANISE MOBILE UNITS

Hsinhsiang, Jan. 2: As a counter-measure against China's guerrilla tactics, the Japanese have also organised mobile units in the north with the intention of harassing the Chinese rear.

Headquarters of the Japanese mobile units are reported to have been established at Paoting and Shichichangwan, on the Peiping-Hankow Railway.

CHINESE CABINET IS REORGANISED

Dr. H. H. Kung Takes Premier's Portfolio

Hankow, January 2.
Reorganisation of the Chinese Government for the express purpose of increasing the efficiency of China's anti-Japanese war machinery has been decided on by the National Defence Council, the highest governing body in the country in the present "emergency period."

Dr. H. H. Kung, Finance Minister, has been appointed President of the Executive Yuan (Prime Minister) in the place of Chiang Kai-shek who will thus be enabled to devote his entire attention to Military Affairs.

Dr. Wang Chung-hui, Foreign Minister, has been made Vice-President of the Executive Yuan. Chen Li-fu, writer, lecturer and author, who has played a prominent part in many popular movements, has been appointed Education Minister in succession to Wang Shih-chieh. The Ministry of Railways, of which Chang Chiang-ai was Minister, has been

absorbed into the Ministry of Communications with Chang as Minister.

General Yu Fei-peng, the outgoing Minister of Communications, has been appointed chief of the Military Transportation Department of the Generalissimo's Headquarters.

The Ministry of Industries, the National Economic Council and the National Reconstruction Commission has been combined into a newly created Ministry of Economic Affairs with Oong Wen-hao, formerly Secretary General of the Executive Yuan, as Minister. Oong was assistant delegate at the Coronation of King George the Sixth and Queen Elizabeth.

The Ministry of the Navy has been absorbed into the Ministry of War and about fifteen ministers without portfolio have been appointed. They include leaders of various political factions and will have the right to attend meetings of the Cabinet.

SEVERE BATTLE FOR HANGCHOW

Chinese Launch Big Counter-Offensive

Shanghai, Jan. 2.
Chinese forces under Chang Fah-kwei are engaged in a powerful counter-offensive which is designed to recapture Hangchow, according to Chinese press reports. At the same time, they assert, flying columns directed by the former Communist General, Hang Yi-nan, expect, in guerilla warfare, to attack the Japanese rear.

Good progress is reported as the result of the counter-offensive, but confirmation of the claim is lacking.

Chinese forces north of Pukow have also launched a counter-offensive, according to further Chinese reports which assert that Chuchow, 20 miles from the Yangtze has been recaptured. The Chinese are stated to be "continuing to advance despite stiff Japanese resistance."

Shanghai Jan. 2. General Chang Fah-kwei, Commander of China's "Ironsides," has launched a counter-attack with the object of recapturing Hangchow, according to Chinese reports.

A severe battle is now progressing with both sides using heavy artillery.

MORE TROUBLE FEARED
Shanghai, Jan. 2: Despite the action of the Municipal Council regarding the hand-grenade throwing incident, the police fear there will be further incidents. They are convinced of the existence of an underground organisation of terrorists, desperate and fearless of death, who have come from Pootung and other places outside the city.

The situation is considered grave and it is widely hoped the Japanese authorities will co-operate with the Council by restricting the movements of Japanese troops to the south of the Soochow Creek which is regarded as constituting easily avoidable provocation.

SHANSI FRONT QUIET

Linfen, Jan. 2: Quietness prevails on the Shansi front. On the Tungpu Railway the main bodies of the Chinese and Japanese forces are still holding out against each other between Chihshen and Pingyao. To prevent the advance of the Japanese forces the Chinese have severely damaged the railway and highway around Pingyao.

In eastern Shanai the Japanese troops are also inactive. The Japanese around Hohsun are reported to have been withdrawn in three directions. One column has retreated to Yutze near Taiyuan, another column to Shouyang on the Chengtao Railway and a third column to Shihyang north of Hohsun.

BOMB-THROWER WORE JAPANESE UNIFORM

Hankow, Jan. 2: A British eyewitness of the bombing case at the intersection of Hankow Road and Fukien Road in Shanghai yesterday stated that the bomb-thrower wore a Japanese military uniform but he was not able to tell whether he was a Japanese or not, a foreign report states.

TSINGTAO EXODUS CONTINUES

Only 50,000 Chinese Left In City

Tsingtao, Jan. 2.
Reports of the fall of Weihai, although unconfirmed, have resulted in accelerating still further the exodus of Tsingtao's Chinese inhabitants who fear possible Japanese vengeance for the destruction of Japanese property here.

The vastness of the shift of population which is taking place is illustrated by the estimates that there are now only 50,000 Chinese in Tsingtao, compared with the city's normal population of upwards of 300,000.

Although American nationals in Tsingtao have been advised by the State Department at Washington to evacuate, few of them are eager to leave. Since the Japanese hills here were destroyed in Dec. 18, only 69, out of 251, Americans in the Tsingtao Consular district have evacuated.

Looting still continues, but only of a spasmodic nature and on a minor scale. The committee of Chinese businessmen established here to maintain peace and order, has warned that looters will be shot by the Chinese police, but no wholesale execution is taking place. British volunteers are guarding the premises of the Asiatic Petroleum Company the British-American Tobacco Co., the telephone administration, waterworks and the Post Office.

Mixed squads of foreign volunteers and Chinese police are guarding the wireless station and the Japanese power plant in the Sze Fang district which was badly damaged a few days ago when the Chinese tried to blow it up.

Russian and German volunteers are mainly engaged in patrolling the streets. The only casualty so far among foreign volunteers is a Russian who was slightly injured by a bullet.

JAPANESE ENTER TAIAN

Shanghai, Jan. 2.
Overcoming Chinese resistance, Japanese troops after a spirited attack have now entered Taian, the first major objective in the drive from Tsinan to Tsingtao, according to Japanese reports which also claim the occupation of Feichang, about 25 miles south-west of Tsinan.

HANGCHOW QUIET
Shanghai Jan. 2: Contrary to Chinese reports of furious fighting in the Hangchow area, Japanese reports state that conditions there are actually very quiet. An Assistance and Maintenance Commission has been formed in Hangchow, railway traffic with Shanghai restored, and Hangchow aerodrome greeted the first Japanese planes. Meanwhile, Lieut-Col. Masutaro Nakai, Chief of the Special Branch of the Japanese Army in Hangchow sector, has been appointed adviser to the new Commission.



NOTICE

On and from January 1st, 1938, the following revised fares will be in operation between Kowloon and Canton and vice versa.

	From Kowloon (Hong Kong Currency)	From Canton (Chinese National Currency)
1st. class	\$4.80	\$5.00
2nd. class	\$2.40	\$2.50
3rd. class	\$1.20	\$1.25

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Manager & Chief Engineer.

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WHITE POWERS "LOSE FACE" IN EAST?

JAPAN ATTACKS TO WEAKEN INFLUENCE IN CHINA

The bombing of British and American shipping in the Yangtze River was interpreted by the Press yesterday as an attempt by Japan to make the white Powers "lose face" in the East, and thus lead China to place herself in Japan's hands as obvious masters of the world.

Meanwhile newspapers in New York were restrained in their comment on the sinking of the gunboat Panay and the three lighters, only the "Herald-Tribune" adopting an attitude of truculence.

It is reported in Paris that Mr. W.C. Bullitt, the U.S. Ambassador, informed M. de Tesson of developments of the bombing of the American gunboat and other boats on Sunday, which are being closely followed by French diplomatic circles.

"L'Ordre" charges Japan with attempting to have the white Powers, "lose face" in the Orient and writes:

GREATEST FIRMNESS NEEDED
"If they (the Japanese) can show that they respect no one and that they are the masters of the world, China, because of her temperament and mentality, will put herself in Japan's hands and will consent to be dominated and led."

"If the great Powers do not want to limit themselves to a day-to-day policy, if they want to assure the future, the greatest firmness is needed in the present circumstances."

Asking if the Yangtze incidents will reveal exactly what was behind Mr. Roosevelt's "trumpet call" speech at Chicago "Le Petit Journal" writes:

"What will follow depends, above all, on the reactions of American public opinion. There is no chief of State more sensitive to a popular movement than President Roosevelt, and there is nothing more likely to inflame Americans than a Japanese aggression."

"L'Epocque" states: "There can be no doubt that it is no longer a question of military accidents. Japan is ruthlessly pursuing a methodic action which has for its object the ruining of the influence and prestige of Europeans in China. The military parade in Shanghai was, it appears, the beginning of

this policy of provocation and humiliation."

WARNING OF NEW BOMBARDMENTS
Issuing a warning that if London and Washington are satisfied with excuses and regrets there will be new bombardments in a few days, the Communist newspaper "Humanite" states: "It is evident that the terrible fireworks on the Yangtze are the result of the policy of the United States, Great Britain, and France during the last five months in regard to Japan."

Reproaching the "weakness" of the democratic nations, "L'Ere Nouvelle" writes: "The democratic nations are powerful and have all the means possible to ensure respect and prestige, but they allow their vessels to be sunk and be satisfied with regrets."

The general attitude of New York papers, however, is to point out the undoubted sincerity of the Japanese apology. The "Daily News" states: "The best thing to do in regard to the Panay is to keep our shirts on."

The "Herald-Tribune" declares: "These assaults, beginning with that on the British car of Sir Hugh Knatchbull-Hugessen, the British Ambassador, are undoubtedly inspired by propaganda within the Japanese armed forces which has the tacit approval of the general officers."

BOOK COMPANY CLOSES DOWN
Hankow, Jan. 2: The Chung Hwa Book Company, one of the largest publishing houses at Shanghai, capitalized at \$2,000,000, closed down yesterday, a report received disclosed.

No explanation was given for the closing down. It was understood that it had not suffered much loss in the Sino-Japanese hostilities.

OPENING OF NEW K.F.C. HOME

Major Manners Delves Into History

The Kowloon Football Club, which has enjoyed an existence of almost 50 years, entered a new phase in its history on Saturday when, in the presence of a large number of members and friends, Mrs. N. L. Smith, wife of the Colonial Secretary, opened its new Club House.

Major C. M. Manners, President of the Club, said:

It is my pleasant duty to-day to preside at what will undoubtedly be remembered as a landmark in the history of the Kowloon Football Club.

On behalf of the Committee and members, I extend a hearty welcome to you all.

The Club, like so many other Kowloon sports institutions, started its being at the Kowloon Docks, which many of the present generation are all too liable to forget.

This Club's history has been closely connected with the Docks, and many of our ablest officials and our best players have been Dock people.

EARLY HISTORY

At the inception in 1894, when Mr. J. N. Henderson was President and Captain, the Club membership was thirteen only, but they were all players. We had no ground of our own, and matches were played at Kowloon Docks and below Knutsford Terrace. In 1899 the Institute of Engineers took over the team, and matches were played at Causeway Bay; in 1901, the V.R.C. to all intents and purposes ran the team, which functioned with varying fortunes until 1911, when the Club commenced again in Kowloon under the aegis and

guiding hand of "Uncle" Mitchell, whose photo I am glad to say will still hang in a place of honour in the Club House. In 1922 we acquired the present ground, and our first club house was a makeshift which stood with its back to the Railway Line. Stalwarts of that day were Jerry Morgan, Ken Mason, Frank Wheeler, Freddie Clemo and of course, our perennial tower of strength, "Jock" McKelvie.

GRATITUDE EXPRESSED

Had it not been for the unremitting work and care of our friend "Bob" Hall, and the personal interest and assistance of his namesake C. M. Hall, there would have been no club house, and I take this opportunity of extending the Club's thanks to both these gentlemen.

We are grateful to the Hon. Mr. N. L. Smith and Mrs. Smith for their presence here to-day. Mr. Smith's interest in football in the Colony is well known, and we take it as a happy augury for the success of our Club that Mrs. Smith has kindly consented to perform the opening ceremony. I hope that all of you will enjoy a happy and successful year during 1938, and in expressing the wish that it may be a successful year for both our teams I have much pleasure in asking Mrs. Smith to declare this Club House open.

Mr. Gifford-Hull then presented Mrs. Smith with a casket containing a key with which the club house was officially opened.

A cocktail party was held, at which members of the Club entertained officials of other Clubs and their friends.



In the above picture, Mr. Gifford-Hull, is seen handing the silver key to Mrs. Smith with which she officially opened the new Kowloon Football Club's premises on Saturday morning. Standing, from left to right, are Major C. M. Manners, O.B.E., Mr. Gifford-Hull, Mrs. Smith, Hon. Mr. N. L. Smith (Colonial Secretary) and Mr. G. G. Wood. (Photo, Cheng Studio).

BRITISH ISLES WIN EXHIBITION SOCCER MATCH

LAST MINUTE GOAL DECIDES ISSUE

Fung Nets Twice For Colony XI

A last minute goal gave the British Isles victory in an exhibition football match against Hong Kong, played on the Club ground at Happy Valley yesterday. A large crowd turned out to witness a fine display given by the British Isles who fought back in the closing minutes of the game and scored two goals to snatch the decision. The winners needed no less than five reserves, and despite their depleted strength gave Hong Kong a good fight.

Evans distinguished himself at left-half both in attack and defence work, while Grogan who played instead of Coakley, did good work on the wing.

The game was packed with thrills and both custodians were kept busy. Tam was the better of the two goalkeepers, his handling being very good, while in the English goal Hartley stopped a good number too.

The British team's combination was good and Webster showed good anticipation and intercepted the ball on many occasions. Hong Kong, on the other hand, took long to settle down and did not really start to play until the second half after they had scored their second goal. Beltrao and Remedios were good and Jorge worked very hard. Hudson played instead of Leung Wing-chiu otherwise Hong Kong was at all times strong.

The teams:—
British Isles: Hartley; Webster, Bone; Evans, McCusker, Wilson; Grogan, McGowan, Pearson, Howlett and Bickford.
Hong Kong:—Tam Kwun-kon; C. Pile, L. Tin-sang; Hudson, N. Beltrao, C. Remedios; T. Pile, Jorge, Fung King-cheong, Lai Shu-wing and Hau Ching-to.

The British Isles kicked off and showed good understanding among her forwards. The first thrill came very soon after. Webster took a free kick and the ball went to Pearson, who with an open goal tapped the ball and Tam dived full length to save it. At the other end Hartley was tested by Fung with a weak shot. Despite constant attacking the Britons could not find the net.

After Fung had missed a splendid opportunity, Grogan centred from the right for McCusker to connect and open the scoring. However, Jorge at the other end managed to get the ball to Fung who made no mistake to score the equaliser. The score at half-time was 1-1.

In the second half Hong Kong took an early lead through Fung, following a pass from T. Pile. With Hong Kong doing most of the attacking, Hartley had a busy time, but he managed very well.

The British Isles made a breakaway, Wilson wending his way through Hong Kong's defence to score the best goal of the match giving Tam no chance to save. Grogan had had luck with a shot which had Tam well beaten but the ball hit the crossbar. Shortly after Grogan centred the ball to Pearson, who allowed it to go to McGowan, who netted the winning goal of the match in the last minute to give the British Isles victory.

FAST HOCKEY MATCH

CIVILIANS BEAT SERVICES

Losers Score Early Goal

The replay of the hockey match between the Civilians and the Combined Services was decided on the Club ground, King's Park yesterday afternoon when the Civilians won by three goals to one in a game packed with fast exchanges and splendid play.

It will be recalled that at the first meeting towards the end of last, the result was a draw of three goals all after extra time.

In yesterday's game, which was witnessed by a fairly large crowd of enthusiasts, the Services took the lead within the first five minutes of play when Lieut. Pritam Nath, the brilliant Army and Rajputana Rifles centre-forward, got the ball past Ramzan. Ten minutes later Pyara Singh, the Kowloon Indians' Tennis Club leader, equalised for the Civilians following a fine solo effort. Before the interval Pinto (K.I.T.C.) put the Civilians ahead during a melee in front of the Services' goal-mouth.

Early in the second half the Services made several raids on their opponents' goal and Naraina Ram went very close. During this period Ramzan brought off many good clearances.

In the closing stages with about ten minutes to go for full time, S. Fowler (Club) scored for the Civilians to put the issue beyond doubt. It was a splendid game and outstanding for the winners were W. Reed (Club) in the pivotal position. Dr. E. L. Gosano, who was the saviour of the backs, and Ramzan, in goal. Naraina Ram and Pritam Nath played well for the Services.

The teams were as follows:—
Civilians:—M. Ramzan; A. E. P. Guest and Dr. E. L. Gosano; W. Brown, W. A. Reed and M. R. Malik; S. Fowler, Gurbachan Singh, Pyara Singh, J. M. Pinto and Y. C. Bond.

Combined Services:—A. B. MacBride (Navy); Flight-Lieut. R. L. Wallace (Royal Air Force) and Kishan Singh (Army); L. Cpl. Ray (Army), Cpl. Land (Army) and Lieut-Commr. J. Spencer (Navy) (Capt). Khuda Bux (Army), Lieut. Sawal Khan (Army), Lieut. Pritam Nath (Army), Naraina Ram (Army) and Partaub (Army).

FRENCH SAILORS ENTERTAINED

There was a very pleasant function on Saturday night when the local French community, together with the Sailors and Soldiers Home, gave a party in honour of the petty officers and sailors of the French light cruiser, Dumont d'Urville, which is on a visit to the port.

The entertainment took the form of a combined cabaret and revue in which several very well-known local artists were featured. During the interval supper was served to the guests during which period M. Renner, the French Vice-Consul, took the opportunity to distribute silver souvenir spoons to the guests and artists on behalf of the French Community.

HOME FOOTBALL RESULTS

The following are the results of Home football matches played to-day.

FIRST DIVISION

Arsenal	2	Everton	1
Birmingham	1	Stoke	1
Blackpool	4	Huddersfield	0
Brentford	0	Bolton	1
Derby	0	Leicester	1
Grimsby	1	Preston	1
Leeds	2	Charlton	2
Liverpool	2	Chelsea	2
Manchester C.	2	Wolves	4
Middlesbrough	2	Sunderland	1
West Brom.	1	Portsmouth	2

SECOND DIVISION

Barnsley	0	Bradford	1
Blackburn	3	Swansea	1
Bury	4	Burnley	0
Coventry	2	Tottenham	1
Fulham	2	Plymouth	3
Luton	6	Stockport	4
Newcastle	1	Manchester U.	2
Notts F.	2	Sheffield U.	1
Wednesday	1	Chesterfield	0
Southampton	3	Norwich	1
West Ham	1	Aston Villa	1

THIRD DIVISION (SOUTH)

Aldershot	1	Crystal P.	0
Bournemouth	7	Southend	1
Brighton	3	Queen's Park	1
Bristol R.	0	Watford	2
Cardiff	2	Clapton	0
Exeter	2	Newport	0
Gillingham	1	Bristol C.	0
Millwall	1	Reading	1
Northampton	3	Mansfield	0
Swindon	1	Notts C.	0
Walsall	0	Torquay	0

THIRD DIVISION (NORTH)

Barrow	3	N. Brighton	0
Bradford	2	Doncaster	0
Carlisle	3	Accrington	1
Crews	1	Gateshead	3
Hull	1	Chester	1
Hartlepool	2	Lincoln	0
Port Vale	2	Oldham	2
Southport	1	Darlington	1
Tranmere	0	Rotherham	2
Wrexham	0	Hull	1
York	0	Rochdale	5

SCOTTISH LEAGUE

Ayr	1	Queen of S.	0
Celtic	3	Rangers	0
Dundee	0	Aberdeen	1
Falkirk	6	Morton	1
Hibernian	2	Hearts	2
Motherwell	0	Hamilton	1
Partick	0	Clyde	1
St. Johnstone	2	Arbroath	2
St. Mirren	0	Kilmarnock	2
Queen's Park	4	T. Lanark	1

SECOND DIVISION

Aldrie	0	Ayr	2
Alloa	5	Leith	2
Dumbarton	2	Forfar	0
Dunfermline	1	Cowdenbeath	1
Edinburgh	0	Dundee	2
King's Park	2	East Stirling	1
Montrose	2	Brechin	0
Rath Rovers	1	East Fife	0
St. Bernard's	4	Stenmuir	2

NEW YEAR'S EVE MATCHES

Clyde	0	Ayr	0
Morton	3	St. Johnstone	2

[No correction had been received up to 3.30 a.m.—Ed.]

LOCAL YACHTING

ARMY DEFEAT NAVY

The Army defeated the Royal Navy in a sailing match yesterday by 112 points to 75 after leading by 35 points at the end of the morning's race. The Navy team were the guests of the Army team at tiffin and the officers of the day were Capt. C. B. Barry, D.S.O., R.N., and Major B. E. C. Dixon, M.C., R.E. The official time-keeper was C.P.O. Cooper, R.N.

MORNING RACE

Royal Navy		Pts.
A5, Flt. Lt. Gaskell (Major McMillan)	9	
A4, Lt.-Cdr. Hall (C. D. A. Ross) Dis.		
A7, Surg. Lt.-Cdr. Wheeler (R. R. Hammond-Chambers)	Dis.	
A11, Lt.-Cdr. Sprague (Captain Eley)	Dis.	
A14, Sqn. Ldr. Woodhall (Lt.-Col. Smith)	6	
A16, Capt. Barry (Col. Gowlan)	13	
Y3, Lt. Medd (Capt. Horton)	1	
Total	28	

AFTERNOON RACE

Army		Pts.
A2, Captain Bower (Lieut.-Cdr. Pugh)	12	
A1, Capt. Luckin (Lt. Wilmoth)	8	
A9, Major Edwards (Lt.-Cdr. Lamb)	11	
A10, Major McMillan (Lieut. Whitworth)	7	
A12, Capt. Bader (Lt. Gardiner)	10	
A15, Major Dixon (Cdr. Disbrowe)	15	
Y5, Mr. Tarr (Lt.-Cdr. Graves) Dis.		
Total	63	

ENGINEERS' SHIELD

A pleasing ceremony took place at the Kowloon Football Club ground on Saturday following the second division soccer match between the European and Chinese Engineers, which the former won by four goals to one.

Colonel J. Gifford-Hull (Retd.) presented the Fortress Royal Engineers with a shield as the prize for the winners of this Unit's Annual Inter-Section Sports competition.

Lt.-Col. L. C. Reid, R.E., accepted the trophy on behalf of the Unit and afterwards Col. Gifford-Hull entertained members of the Corps to tea in the K.F.C.'s newly-opened club-house.

POLICE R.C. PARTY

The annual Children's Christmas Party of the Hong Kong Police Recreation Club, held on Saturday, was, as usual, a great success. The kiddies had a great time and the usually grave guardians of the law had a great time giving them a great time.

—D.N.F.

Sporting

Fixtures

TO-DAY

Meeting—Hong Kong Football Association Council Meeting, in Room 205, Gloucester Building, 2nd floor, 5.30 p.m.

WEDNESDAY, JANUARY 5

Football—Charity Match: Royal Navy v. Royal Marines, R.N.R. Club ground, Causeway Bay, 4 p.m.
Shooting—Hong Kong Rifle Association Weekly Spoon and Practice Shoot, Army Ranges, Kowloon City, 2 p.m.

SATURDAY'S RACES

The fourth Corinthian series of yacht races, held under the auspices of the Royal Hong Kong Yacht Club, were sailed on Saturday over a course of 9.5 miles and resulted in a win for Colleen (Capt. C. A. Luckin) in the "H" Class, while Jean (Col. G. C. Gowlan) won the "A" Class event.

Eunice (Lt. M. Blake, R.N.) won the event for the "G" and "T" and "Y" Classes.

Full results were:—

"H" Class—Started at 14.25
Finished Corr. Pos. Pts.
Diana 16.30.58 16.36.58 2 8
(Mr. J. Gifford Hull)

Colleen 16.41.33 16.36.48 1 10
(Capt. C. A. Luckin)

Ariel 16.42.57 16.38.12 3 7
Dorothea, D.N.F.

"A" Class—Started at 14.30
Finished Corr. Pos. Pts.
Nerald II 16.43.05 16.43.05 4 11
(Capt. C. B. Barry, R.N.)

Artemis 16.42.14 16.42.14 2 13
(Mr. G. C. Wood)

Eve 16.44.22 16.44.22 7 8
(Mr. J. D. Pattullo)

Gull 16.45.33 16.45.13 9 6
(Mr. Johnson)

Redbank 16.44.15 16.44.15 6 9
(Capt. S. Hopkinson)

True Blue 16.42.35 16.42.35 3 12
(Mr. H. S. Rouse)

Kittiwake 16.43.55 16.43.55 6 10
(Miss P. M. King)

Painted Lady 16.45.02 16.45.02 8 7
(Mr. Wakeham)

Jean 16.40.40 16.40.40 1 16
(Col. G. C. Gowlan)

Carpenter, D.N.F.
Isobel, D.N.F.
"G" "I" & Classes—Started at 14.45
Finished Corr. Pos. Pts.
Gael 17.00.23 16.55.43 2 8
(Major A. McMillan)

Ennio 16.51.54 16.49.34 1 10
(Lt. M. Blake, R.N.)

Owl 16.57.05 16.57.05 3 7
(Mr. S. Findlay)

Allan 16.48.21 16.48.21 5 6
(Lt. R. M. Firth, R.A.)

Stella 16.49.32 16.47.09 3 8
(Mr. B. Pengelly)

Winkle 16.49.32 16.47.09 4 7
(Mr. B. S. Carter)

Heron 16.47.45 16.46.10 2 9
(Lt.-Commr. W. S. Hall, R.N.)

Widgeon 16.47.08 16.45.33 1 11
(Mr. L. Garner)

Nannette 16.54.53 16.53.48 9 8
(Lt.-Commr. W. H. Graves, R.N.)

Sirius 16.55.46 16.49.26 7 4
(Mr. C. Freshard Davis)

Zephyr 16.50.55 16.48.32 6 5
(Major F. W. R. Haycroft)

Eryl, D.N.F.

HOME RUGBY RESULTS

England Beats The Rest

London, Jan. 1.

The following were the results of matches played in the Rugby Union to-day:—

England 13, The Rest 11, (at Twickenham).
Bath 3, Richmond 8.
Birkenhead Park 17, Bradford 14.
Blackheath 9, Rosslyn Park 3.
Bristol 11, London Welsh 8.
Leicester 3, Swansea 5.
London Scottish 15, Gloucester 3.
Newport 0, O.M.T. 0.
Northampton 9, Coventry 8.
Plymouth Albion 16, Devonport Services 3.

Sale 6, Llanelli 14.
Probables 13, Possibles 11, (at Swansea).

Old Cranleighans 22, Fettesian Loretians 6.
Old Aynonians 11, Guy's Hospital 6.

Bridgend 11, Pontypridd 5.
Cardiff 9, Pontypool 8.
Portsmouth Services 28, Trojans 0.
Waterloo 24, Moseley 11.
Hawick 3, Heriotians 26.
Selkirk 3, Stewartians 6.—
Reuter.

WAH YAN PAST STUDENTS

Hold Annual "At Home"

The College Hall at Wah Yan College was packed to capacity on Saturday night when the Wah Yan Past Students' Association held an "At Home."

The programme began with Chinese Music rendered by the "Silver Star Musical Society," and in the course of the evening Miss Rose A. Lim delighted the audience with selections on the piano.

Under the direction of Rev. Fr. Craig, S.J., scenes from Macbeth by Shakespeare were staged by students of the College.

R.E.O.C.A. DANCE

The Royal Engineers Old Comrades Association are holding a Grand New Year dance at the Peninsula Hotel, on Saturday, January 8. Dancing from 8.30 p.m. until 1 a.m. Music will be provided by the Peninsula Hotel Dance Orchestra. Admission will be at the usual prices, which includes refreshments and Spot prizes.

Rugby Football

NAVY WINS TOURNAMENT

Better Forwards Carry The Day

The Royal Navy won the Triangular Rugby Tournament on Saturday when, in a great struggle that kept a large crowd of spectators on their toes, they beat the Club by four tries (12 points) to two tries (six points). The Navy's last success in this competition was in 1934 and though their earlier performances this year had made them slight favourites, the Club gave them a very good run for their money.

Actually the Navy's win was due almost entirely to a magnificent pack of forwards. In the other departments of the game the Club conceded nothing but the naval forwards played a truly great game and on that form there could have been only the one result possible.

ONE CHANGE

There was one change in the Navy's announced team, P. O. Asquith coming in for Elliot in the three-quarter line, and like so many other last-minute substitutes, he acquitted himself extremely well, being an indefatigable trier and a hard worker. Lt. Walsham, the Navy's star stand-off half, played another great game and Lt. Talbot, scrum-half, was also in the limelight. Lt. Walters scored two brilliant tries.

For the Club, Bidwell played well and McGrath, Grieve and Lyle had flashes of good form.

Teams:—
Royal Navy:—Surg. Lt. Ellis (Midway); Lt. Walters (Olympus); Lt. Harvey (Odin) (Captain), P. O. Asquith (Eagle) and A. B. Northcott (Adventure); Lt. Walsham (Adventure) and Lt. Talbot (Otis); Sergt. Burdon (Adventure), Sig. Ford (Tamar), A. E. Romans (Eagle) Lt. Maydon (Orpheus), A. B. Thatcher (Eagle); Lt. Woods (Grampus), Lt. Anderson (Olympus), Lt. Anderson (Olympus) and Lt. Ogle (Phoenix).

Club:—W. M. Macgrath; L. E. Lammert, W. E. Grieve, C. D. Bidwell and D. H. Stewart; C. W. Lyle and J. L. Bonnar; K. A. Watson, K. S. Saiter, A. W. Holden; W. E. Peers, F. C. Needham; J. C. Miller (Captain), A. J. C. Taylor and J. Redman.

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CHILDREN'S SPORTS

K.C.C. Annual Function

Lady Northcote, wife of His Excellency the Governor, presented the prizes at the conclusion of the Children's Sports at the Kowloon Cricket Club on Saturday, when a large number of events was carried out and everyone, children and grown-ups, had a nice time.

His Honour Mr. Justice R. E. Lindsell, President of the Club, thanked Lady Northcote, who, he said, had kindly come all the way from Fanning Lodge.

The results were:—

BOYS

Flat Race (11-14 years):—7, Albert O'Dell; 2, Lionel Strange; 3, Arthur Carlo.

Boat Race (under 9 years):—1, Brian Pengelly; 2, Andrew Fabel; 3, David Baldwin.

Flat Race (8-11 years):—1, Telford Ferguson; 2, Donald Lo; 3, Michael Harriman.

Sack Race (9-14 years):—1, Albert Odell; 2, John Fabel; 3, Telford Ferguson.

Obstacle Race (under 12 years):—1, Alan Imrie; 2, Reg. Pengelly; 3, Donald Andrews.

Flat Race (under 4 years):—1, Keith Armstrong; 2, Henry Litton; 3, Karl Naef.

Flat Race (4-6 years):—1, Peter McRae; 2, Gerald Well; 3, John Shand.

Potato Race (under 12 years):—1, Tommy Lo; 2, David Odell; 3, Donald Andrews.

Flat Race (6-8 years):—1, Alan Jex; 2, Norman Lo; 3, Desmond Roger.

Tug of War (8-14 years):—Dick Matti, Michael Newton, Paul Harriman, George Scott, David Odell, Arthur Carlo, John Labrum, and Ivor Nesteroff.

Three Leased Race (under 12 years):—1, Jimmy Ramsey and Bobby Harper; 2, Lionel Strange and Jackie Strange; 3, George Nesteroff and Nigel Pearson.

Relay Race (under 14 years):—Michael Harriman, John Fabel, Jackie Strange and Teddy Harris.

GIRLS

Flat Race (11-14 years):—1, Kathleen Hyde-Lay; 2, Vivienne Jon; 3, Mona Shand.

Skipping Race (under 9 years):—1, Dawn Ramsey; 2, Constance Robertson; 3, Elizabeth Gittins.

Flat Race (8-11 years):—1, Joan Millard; 2, June Martin; 3, Helen Logan.

Potato Race (under 12 years):—1, Dawn Ramsey; 2, Joan Millard; 3, Jacqueline Kew.

Egg and Spoon Race (under 8 years):—1, Angela Court; 2, Margaret Kurrick; 3, Dawn Dickson.

DUKE OF GLOUCESTER SHARES IN GOOD QUORN HUNT

The Duke of Gloucester had a good day with the Quorn, when hounds put up a rather circuitous hunt of just over an hour.

The Grafton had excellent hunting making a seven and a half mile point in an hour and 10 minutes, and the Old Berkshire went well for an hour for a point of four miles, says the "Daily Telegraph."

The Pychley hounds hunted smartly for two and a half hours before being stopped at dusk just behind a falling fox. Scent remains moderate and there were heavy showers in many places.

The Duke of Gloucester was out with the Quorn when they met at Thorpe Satchville, Rain, following the frost, had greatly improved conditions, and a very fast hunt of 55 minutes was the result.

Hounds were quickly away, with a fox from Ashby pastures. Going out at the bottom end, they ran as if for Kirby Bellars, leaving Cream Gorse wide on the left. Swinging right-handed over the Kirby road towards Sanham and the railway, they continued to circle right. The fox crossed the Great Dalby road, went through the Trussells, and away for Twyford village.

Still bearing to the right, he carried on by Ashby Spinney, over the brook, and headed for Thimble Hall. Turning short to the right again he went by Barsby village over the South Croxton road, then left-handed over the Quenborough road and got into an old drain two fields away.

An outler was then roused at the back of Gaddesby Church. Going through the gardens, he

PHENOMENAL TASK

Miss Jean Batten Holds Australia-England Record

London, Jan. 1.

Miss Jean Batten is planning an attempt on Scott and Black's Australia record of two days and twenty-three hours. The flight will be made early next year.

Negotiations have been started for the use of the Comet racing plane which Scott used in 1934 and in which Clouston and Mrs. Kirby Green recently established a new Cape and back record.

Miss Batten plans to fly solo. Scott had Campbell-Black as co-pilot, even then both men arrived in Australia in a state of collapse from strain and fatigue.

She would have to cover the 11,000-mile journey practically without sleep, unless an automatic pilot were fixed.

This would be able to take over and hold the machine on its course while the pilot snatched a few minutes' sleep from time to time.

Experts do not consider the flight impossible for a solo pilot.

Scott and Black were held up in Persia for several hours during their flight, and during the last part of it only one of the motors was working properly.

The machine is faster now, and can cruise comfortably at 200 miles an hour. The aviatrice may fly over Tibet and China, in which case more than 1,000 miles would be cut off the total distance.

Miss Batten, who is twenty-six years old, holds the present Australia-England record at five days eighteen hours fifteen minutes.

Transocean.

Flat Race (under 4 years):—1, Helen Orr; 2, Jackie James; 3, Averil Court.

Flat Race (4-6 years):—1, Anna Armstrong; 2, Joyce Guest; 3, Marguerite Clarke.

Skipping Race (9-14 years):—1, Sheila Cooper; 2, Mollie Jack; 3, Mae Brown.

Flat Race (6-8 years):—1, Joyce Cace; 2, Phyllis Harper; 3, Angela Court.

Musical Chairs (under 12 years):—1, Fay Carlo; 2, Margaret Roger; 3, Beryl Goldenburg.

Egg and Spoon Race (8-14 years):—1, Vivienne Jex; 2, Joan Clarke; 3, Annette Lansbert.

Relay Race (under 14 years):—1, Mona Shand; 2, Yvonne Blackmore; 3, Pamela Pass; 4, Mollie Jack.

Hand Race:—1, Rm. Singh; 2, Rm. Chuttoo Singh; 3, Rm. Jam Singh.

TWO CENTURIES SCORED

Third Unofficial Test Match

Calcutta, Jan. 1.

Lord Tennyson's XI, were in a bad way at the end of the second day's play in the third unofficial Test Match with India to-day, when, with only two wickets to fall in their first innings, they were 131 behind the home team.

India gave an inspired display of breezy batting. Mushtaq Ali and Amar Nath, both veterans of Indian tours of England, scoring centuries.

At the end of the first day's play, India had scored 313 for the loss of five wickets.

Mushtaq Ali made 101 in 210 minutes, hitting six fours, while Amar Nath, was 102 not out when stumps were drawn. He had scored his century in 150 minutes, the innings being marked by scintillating drives and square cuts. Mankad was out for 55.

The remaining wickets fell for only 37 runs this morning. Amar Nath coming out for 123. He hit thirteen 4's.

Pope of Derby, was the best of the English bowlers, taking 5 wickets for 70 runs. All his victims fell this morning, when he took the outstanding wickets.

At the close of play to-day, Lord Tennyson's XI had scored 218 for eight wickets, Hardstaff being out for 59.

Scores: All-India 350.

Lord Tennyson's XI 219 for 8.

Reuter.

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DAILY SHARE QUOTATIONS

Hong Kong Stock Exchange Sharebrokers' Association

Buyers	Sellers	Shares	FRIDAY, DEC. 31.	Buyers	Sellers	Shares
\$1,445			Hanks			\$1,445
			Bo (London)			287 1/2
			Chartered Bank			232 1/2
			Mercantile Bks. "A"			215
			Do "C"			180
			Bank of East Asia			1270
			N. C. & S. Banks			110
			Insurance			233 1/2
			Canton Insurance			1270
			Union Insurance			110
			Underwriters			233 1/2
			H.K. Fins			1270
			International Assoc. S.			110
			Shipping			233 1/2
			Douglas			1270
			Steamship			110
			Indo-China (pref.)			233 1/2
			Do (def.)			1270
			Shells			110
			Waterworks			233 1/2
			Mining			1270
			Kailans			110
			Hanks			233 1/2
			Shanghai Dock S.			1270
			New Engineering S.			110
			Lands, Hotels, and			233 1/2
			Buildings			1270
			H.K. Hotels			110
			H.K. Lands			233 1/2
			Do 4% Debentures			1270
			Shanghai Land S.			110
			Metropolitan Land S.			233 1/2
			H.K. Real Estate			1270
			China Do			110
			Do Debentures			233 1/2
			Humphreys			1270
			Chinese Estates			110
			Cotton Mills			233 1/2
			Ewo			1270
			Shai Cotton (old)			110
			Do (new)			233 1/2
			Young Sing			1270
			Wing On Textiles			110
			Ewo Cotton Rts. S.			233 1/2
			Public Utilities			1270
			Tramways			110
			Peak Trams (old)			233 1/2
			Do (new)			1270
			Star Ferries			110
			Yanmai Ferries			233 1/2
			China Lights (old)			1270
			Do (new)			110
			Do Rts.			233 1/2
			H.K. Electric			1270
			Macao do			110
			Saudakan Lights			233 1/2
			Telephones (old)			1270
			Do (new)			110
			China Buses			233 1/2
			Tractions			1270
			Do (pref.)			110
			Industrials			233 1/2
			Canton Iron			1270
			Comoro			110
			Ropes			233 1/2
			Miscellaneous			1270
			Daily Farm			110
			Ch. Etalments			233 1/2
			Constructions (old)			1270
			Do (new)			110
			Lehe Crawford			233 1/2
			Nanyang Tobacco			1270
			Sincere			110
			Watsons			233 1/2
			S. C. Enterprises			1270
			Gu. G. 5% 1936 G. Bds.			110
			H.K. Govt. 4% Loans			233 1/2
			Do 3%			1270
			Wellco Harper			110
			H.K. Wing On			233 1/2
			Shai			1270
			Vibro Pils			110
			Maramans (H.K.)			233 1/2
			Wm. Powells			1270

LONDON EXCHANGE RATES

(British Wireless Service)

	Dec. 29	Dec. 30
Paris	147-10/64	147-9/32
Geneva	21. 61 1/2	21. 61 1/2
Berlin	12.40 1/2	12.41
Athens		
Milan	95	95
Copenhagen		
Stockholm		
Shanghai		
New York	4.98-29/32	5.00 1/2
Amsterdam	8.08-7/16	8.08 1/2
Vienna		
Prague	142-5/16	142 1/2
Madrid		
Lisbon		
Hong Kong		
Bombay		
Brussels	5.00-9/16	4.99 1/2
Yokohama	29.46 1/2	29.47
Belgrade		
Monte Video	25	
Rio		
Bucharest		2-35/64
Silver (Forward)	18-7/16	18-9/16
Silver (Spot)	18 1/2	18-7/16
War Loan	3 1/4 10 1/4	3 1/4 10 1/4

Closing Quotations

	December 31, 1937.
On London:	
Telegraphic Transfer	1 1/2
Bank Bills on demand	1 1/2
Credit, four months	1 1/2
On Shanghai:	
On Demand	104 1/2
On Singapore:	
On Demand	52 1/2
On Japan:	
On Demand	108 1/2
On India:	
Telegraphic Transfer	8 1/2
Bank on demand	8 1/2

COTTON TRADE AND PROTECTION

JAPANESE GOODS

(To the Editor of the Manchester Guardian.)

Sir—Colonel Sowler in his letter in your issue of December 10 has strung together a number of the usual Protectionist clichés and platitudes, and has satisfied himself, at least, that thereby the Free Trade case is demolished. What does he mean by writing of "one-sided" Free Trade? He might just as well write about "one-sided" music, or "one-sided" logic, or "one-sided" justice. During the past decade these phrases have become the stock-in-trade of the monopolist, but even their wide use and acceptance have not made them true.

No Free-trader fights shy of dealing with Japanese competition. If the Protectionists had not been so shy of fighting facts, which do not cause war or massacre, there would probably not have been the present brutal regime of murder over so large a portion of the world to-day. In the final analysis Japanese competition will have to be met in some other way than by Protection and its concomitant evil war.

If Colonel Sowler and his restrictionist friends succeed in keeping Japanese cottons out of this country and out of East Africa, does he think that will be the end of the Japanese cotton industry? What about Argentina, Australia, or any other markets over which our Protectionist Government has no control whatever? Colonel Sowler would not only use tariffs against the foreigner, the Tory cry of five years ago, he would use this centuries-old weapon against the Indian producers, and maybe issue invitations for a second "Boston Tea Party" in Madras or Bombay harbour. If against Indian cottons, why not against Australian foodstuffs, or Canadian wheat, or the fruits of South Africa?

"MOST IMPORTANT"

I should have thought that Colonel Sowler would have refrained from claiming without qualification that raw cotton is "far the most important" of the things used in our Lancashire cotton trade. Whilst it is the most important single article, many other things go to make a piece of cotton cloth. I have figures of five contracts for coal for 1938 showing an increase in price of from 4s. 3d. to 6s. 6d. per ton when compared with 1936. If Colonel Sowler has any knowledge of purchasing new machinery during recent years he will be fully cognisant of the manner in which prices have increased, and of how every user of iron and steel is painfully aware of the course of prices since these commodities became the sport of the Protectionist. Instead of being "far the most important" of these articles, would it not be more true to say that raw cotton represents between 50 to 60 per cent of the value of the finished product?

Of the other charges incidental to the selling price of Lancashire cottons, has Colonel Sowler given any attention to the burden of taxation which the present Government of restrictionists has heaped upon the shoulders of producers? In the Budget of 1931-2 the estimated gross expenditure was £938,000,000, an amount which was to bring ruin and bankruptcy not only to the cotton trade but to every other industry. Protection was the only remedy, and for the current financial year a full-blooded Protectionist Chancellor of the Exchequer has given us a Budget with an estimated gross expenditure of £1,063,000,000. That sum has to come from production; it raises prices, it increases the cost of living, and it is an important factor in the markets of the world. Leather is an important article in the cotton trade. When about a dozen firms applied for and obtained an increase of duty on imported calf, every weaver had to pay an increase of 15 per cent on his chrome-picking bands, combing leathers, etc. In itself a small matter, but in conjunction with coal, machinery, overheads, and the other part of the 40 to 50 per cent apart from raw cotton, they are important additions to the costs which the monopolists have levied on our native industry.

I can assure Colonel Sowler that I have noticed the vast armament of the countries he mentioned, and I also noticed that he gave no reason for them. My reason is that armaments are the logical outcome of trade restriction. Tariffs mean frontiers, frontiers mean armies and navies. Hence, in the world gone tariff mad it is not surprising

NEW YORK STOCK EXCHANGE

(Through Reuter's Service)

New York, January 1		High		Low		Last		Today's		Change	
New York/Cotton	Cross-rate	8.88	8.84	8.25	8.15	4.98 1/2	4.98 1/2	0.03 up			
New York/Rubber	Mar.	14.75	14.40	14.73	14.68	0.05 off					
Chicago Wheat	May	8 1/4	8 1/4	8 1/4	8 1/4	1/8 off					
Chicago Corn	May	9 1/4	9 1/4	9 1/4	9 1/4	1/8 up					
Winnipeg Wheat	May	11 1/2	11 1/2	11 1/2	11 1/2	3/8 up					
Silver—Official		11 1/2	11 1/2	11 1/2	11 1/2	1/8 up					

1937		High		Low		Last		Today's		Change	
High	Low	Dow Jones	Averages	Dec. 30	High	Low	Close	Change			
194.40	113.84	30	Industrial	121.66	121.49	119.65	120.89	.71 off			
64.46	29.15	30	Rails	20.78	20.66	20.33	20.46	.08 up			
37.14	19.54	30	Utilities	23.35	20.46	20.18	20.35	unch.			
100.89	81.54	40	Bonds	93.91	93.91	93.91	93.91	.09 up			
82.44	63.03	11	Commodity Index	83.31	83.31	83.31	83.31	.17 off			

Business Done—780,000 shares.

Adams Express	8 1/2	8 1/2	Great Northern Ry.	21 1/2	21 1/2
Allis Chalmers	47 1/2	47 1/2	Great Western Sugar	25 1/2	25 1/2
Amer. Can.	70 1/2	70 1/2	Holly Sugar Corp.	—	—
Amer. Cyanamid	22 1/2	22 1/2	Humble Oil	85	65 1/2
Amer. & For. Power	31	31	Int. Nickel	44 1/2	44 1/2
Amer. & For. 47 pf.	17 1/2	17 1/2	Int. Tel. & Tel.	7 1/2	7 1/2
Amer. Locomotive	20	18 1/2	Int. Dept. Stores	9 1/2	9 1/2
Amer. Metals	32 1/2	31	Kennecott Copper	35 1/2	35 1/2
Amer. Radiator	12 1/2	12 1/2	Lambert Corp.	11 1/2	11 1/2
Amer. Rolling Mill	17 1/2	17 1/2	Loew's Inc.	45	45
Amer. Smelting	46 1/2	46	Lorillard	16 1/2	16 1/2
Amer. Steel Fdries.	24 1/2	24 1/2	McIntyre Forcupine	—	—
Amer. Sugar	24 1/2	24 1/2	McKesson & Robbins	30	30
Amer. Tel. & Tel.	144 1/2	144 1/2	Montana Chemical	83 1/2	84
Amer. Tobacco, "B"	62	63 1/2	Montgomery Ward	31 1/2	31 1/2
Amer. Waterworks	11	11 1/2	Murray Corp.	—	—
Anacosta Copper	24 1/2	24 1/2	Nat. Cash Register	15 1/2	15 1/2
Atchafalpa, T. & S. Fe.	37 1/2	35 1/2	Nat. Dairy Products	13 1/2	14 1/2
Atlantic Refining	—	—	Nat. Distillers	20 1/2	20 1/2
Atlas Corp.	7 1/2	7 1/2	Nat. Power & Light	7 1/2	7 1/2
Auburn Motors	34	34	Nat. York Central	17	16 1/2
Baldwin Locomotive	—	—	Niagara Hudson P.	7 1/2	7 1/2
7 cum. pf.	—	—	Corp.	—	—
Baltimore & Ohio	104	10	North American	9	9
Barnsdall Oil	13 1/2	13 1/2	Northern Pacific	10 1/2	10 1/2
Benoit Aviation	—	—	Pacific Gas & Elec.	26 1/2	27 1/2
Bethlehem Steel	58 1/2	58 1/2	Pacific Lighting	36	36
Boeing Airplane	31 1/2	31 1/2	Packard Motors	4 1/2	4 1/2
Borden Co.	16 1/2	17	Paramount	9 1/2	9 1/2
Briggs Manufacturing	19 1/2	19 1/2	Pennsylvania R.R.	21 1/2	21 1/2
Brooklyn-Manhattan	—	—	Phelps Dodge	—	—
Trans	9 1/2	8 1/2	Phillips Petroleum	39	38
Brooklyn-Manhattan	—	—	Public Service of N.J.	32 1/2	32 1/2
8 cum. pf.	26 1/2	25	Pullman, Inc.	—	—
Case, J.I.	86	83	Pure Oil	11	11
Canadian Pacific	7 1/2	7 1/2	Radio Corp. of Am.	6	6 1/2
Celanese Corp. of	—	—	Republic Steel	16 1/2	16 1/2
America	14 1/2	14 1/2	Reynolds, Tobac. "B"	44	43 1/2
Cerro de Pasco	37 1/2	37 1/2	St. Joseph Lead Co.	23	23 1/2
Certain-Teed P'ducts	—	—	Schenley	72	74
Chesapeake Corp.	42 1/2	41 1/2	Schenley 5 1/2 pf.	72	74
Chesapeake & Ohio	33 1/2	33 1/2	Sears Roebuck	55 1/2	54
Chrysler Corp.	48	47 1/2	Shell Union Oil	10 1/2	10 1/2
Columbia Gas & El.	8	7 1/2	Socony-Vacuum	15 1/2	15 1/2
Columbia 6% "A" pf.	72 1/2	72 1/2	Southern Cal Edison	22	21 1/2
Commercial Credit	31 1/2	31 1/2	Southern Pacific	18 1/2	18 1/2
Commercial Solvents	7 1/2	7 1/2	Southern Ry 5% pf.	11 1/2	11 1/2
Commonwealth & S.	12 1/2	12 1/2	Stand. Gas & Elec.	18 1/2	18 1/2
Commonwealth 5%	—	—	Stand. Gas & Elec.	4	4 1/2
cum. pf.	39 1/2	38 1/2	Standard Oil of N.J.	45 1/2	45 1/2
Consolidated Edison	22	21 1/2	Sterling Products	4 1/2	4 1/2
Consolidated Oil	8 1/2	8 1/2	Swift International	23 1/2	23
Continental Oil	29 1/2	29	Technicolor	39 1/2	39 1/2
Contin. Products	59 1/2	58 1/2	Texas Gulf Sulphur	27 1/2	27 1/2
Curtiss Wright (C)	3 1/2	4	Tidewater Assoc. Oil	14 1/2	14 1/2
Curtiss Wright "A"	15 1/2	15 1/2	Timken-Detroit Axle	—	—
Crawley & Hudson	14 1/2	14	Transamerica	11 1/2	11 1/2
C. Lackawanna &	—	—	20th Cent. Fox Films	19 1/2	19 1/2
Western	6 1/2	6 1/2	20th Cent. Fox Films	—	—
Cutlillers Corp. Sea.	—	—	20th Cent. Fox Films	25 1/2	26
Trams	13 1/2	13	Un. Carbide & Car-	—	—
Angus Aircraft	38 1/2	38 1/2	bon	74 1/2	73 1/2
Pont	114	112	Un. Pacific	82	81
Electric Boat	81	81	United Aircraft	25 1/2	25 1/2
C. Bond & Share	8 1/2	8 1/2	Un. Airline Trans-	—	—
C. Bond & Share	—	—	port	7 1/2	7 1/2
5 pf.	50 1/2	48 1/2	United Corp.	34	34
C. Bond & Share	—	—	United Corp.	—	—
6 pf.	57 1/2	56	cum pf.	29 1/2	29 1/2
C. Power & Light	11 1/2	11 1/2	Un. Gas Improv'mt	10 1/2	10 1/2
C. Power & Light	—	—	Un. Light & power	—	—
7 pf.	38 1/2	37	"A"	2 1/2	3
Easton Tire & R	—	—	U.S. Industrial Alco-	—	—
W. S. S. S.	15	15 1/2	hol	20	21
Asphalt	—	—	U.S. Rubber	23 1/2	23
C. Cigar	22 1/2	22 1/2	U.S. Rubber 3/8 pf.	47	46 1/2
C. Electric	41 1/2	41 1/2	U.S. Steel	54	54
C. Foods	30	30 1/2	Vanadium	15	14 1/2
C. Motors	30 1/2	30	Warner Bros. Mkt.	6	6
C. Railway Signal	20	19	Westinghouse Elec.	99 1/2	99 1/2
C. Safety Razor	—	—	Yongstown Ltee	—	—
Edison	20 1/2	20 1/2	& Tube	37 1/2	38
Edison	14 1/2	13 1/2	Chase National Bk.	31	31 1/2
Edison 3/8 pf.	48 1/2	48 1/2	National City Bank	27	27
Edison	17 1/2	17 1/2	Call Money	1%	1%

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U.S. SILVER PRICE SLASHED

Washington, Jan. 1.

President Roosevelt yesterday slashed the price of silver mined in the United States from 77.57 to 54.64 cents per ounce.

The change in the United States Treasury's price for foreign silver will not be known until the Government posts the daily bid in New York at noon (Eastern Standard Time) on Monday.

It is noted that President Roosevelt has returned the price to the identical quotation fixed on December 21, 1933, when the programme of paying a premium above the world price was initiated.

The new price will affect only silver mined after last night.

The President established the quotation in a proclamation which runs until December 31, 1938, but reserved the right to revoke or modify it at any time.

The reduction affects silver mines and many other kinds of metal mines producing silver as a by-product, and employing approximately 400,000 persons in a dozen States.

Reuter.

LONDON REACTION

London, Jan. 1.

Leading silver authorities, questioned midst the New Year festivities, were unwilling to express any definite opinions over President Roosevelt's reduction of the domestic price of silver, but agreed that the existing uncertainty must continue till the Treasury price for foreign silver in New York will be known.

One expert stated: "As the United States is buying the Canadian and Mexican output, this only leaves about 110,000,000 ounces of new production to be absorbed by the market in 1938, which we ought to do easily."

Another expert expressed the view that President Roosevelt's latest price merely represents a premium of 50 per cent. over the world price, and that in some respects the situation is analogous to that ruling when President Roosevelt first instituted the domestic price, that is, he may alter the internal price in accordance with the movements of the London market.

Reuter.

LIVING REALITY

Gen. Smuts' Vibrant Plea For The League

Geneva, Jan. 1.

A vibrant plea for the League of Nations as a living reality presenting real hope for the future, was made General Smuts, South African Minister of Justice, in a speech recorded in South Africa and broadcast all over the world from the League radio station yesterday.

General Smuts declared that people were already forgetting the Great War and were asking us to return to the course which had led to it.

After championing the League Covenant, General Smuts said he trusted the Covenant would eventually become an international treaty separate from the Peace Treaty.

General Smuts concluded by saying that in membership of the League remained a formidable army able to battle against militarism and reaction, but, once abandoned, it may not be rebuilt in a century.

Reuter.

CHAMBER PASSES BUDGET AT DAWN

Paris, Jan. 1.

The Chamber of Deputies passed a sleepless night lasting until dawn before it passed the Budget for the second time, by 527 votes to 65.

Final Budget figures were estimated expenditure 54,957,000,000 francs, against revenue of 54,537,000,000 francs.

The Budget will continue to be shuttled to and fro between the Chamber and the Senate, as the latter, after the first reading, left an estimated surplus of revenue over expenditure of 37,000,000 francs.

Reuter.

5 More Years Of Arming, Says Sir T. Inskip

Sir Thomas Inskip, Minister for the Co-ordination of Defence, speaking at a luncheon of the National Union of Manufacturers in London said that the rearmament programme would not slow down for four or five years.

It was gathering fresh momentum every day and the nation was united in its determination to carry out the full programme.

Figures which "told much were:

In 1913-14 we spent £77,000,000 upon defence, in 1924 £113,000,000, and in 1937 £278,000,000.

In 1938-39 between £320,000,000 and £340,000,000 would be spent.

NO REASON FOR GLOOM

In addition there were £5,000,000 to £10,000,000 on air raid precautions, additions in respect of other services, and steps in connection with essential services like gas, electricity, and so on.

The personnel of the two defence services in 1913-14 numbered about 337,000 men. In 1937, in spite of the fact that the money spent had gone up from £77,000,000 to £278,000,000 the personnel numbered only about 350,000.

The Government depended on the ingenuity and skill of the manufacturers. If it had not been for the highest degree of willingness on the part of the manufacturers, the Government could not, even if it had had nationalised industry, have done a tenth of what had been possible.

Rearmament had not reached anything like the full momentum

which it might attain in about 18 months. There was no reason for the slightest lament of gloom or depression.

Industry generally was developing at the same time.

"You will have to multiply the figures of employment," he said, "by two, three, four or five before you reach the full capacity which has been planned for the full purposes of the programme."

HUNDREDS OF THOUSANDS

There are in various parts of the country, new factories which, as yet, are only in the early stages of preparation and at which hundreds of thousands of men, and possibly women, will be employed.

"The industrial strength of the country is greater. By means of the rearmament programme we have trained a new army of confident workpeople."

"The Government have not been blind to the fact that in a possible war there might be difficulties in obtaining some of the essential raw materials. The Government have taken steps, details of which I do not propose to state here today, to see that proper supplies of everything that we may need in wartime are being improved in peace."

Sir Thomas said he had unfailing optimism regarding the British race, and the capacity of the Government to guide our policy so that we should avoid the great disaster of war.

A "TRICYCLE" AEROPLANE

Nose Landing-Wheel

SOME VALUABLE ADVANTAGES

I had my first flight in a tricycle aeroplane and was able to experience the remarkable ease of landing a machine when this principle is used, writes a correspondent in the "Manchester Guardian."

Every aeroplane has three supports when on the ground, two main wheels and one other. Normally the third support is a skid or a wheel under the tail, but in the tricycle machine it takes the form of a castor wheel under the nose. The main wheels are placed farther back, and the tail of the machine remains in the air without any support.

This principle is not new, for experiments were made with it in England in 1910, but it is now coming into favour again. It is being used on some of the large American passenger machines.

The aeroplane demonstrated today is a Monopar with two Pobjoy engines, and seats inside for a pilot and three passengers. Actually it is only a demonstration model intended to give experience in the use of the principle, and not to be put into production.

The first noticeable advantage is the steadiness of the machine when taxiing, for it shows little or no inclination to swing. It also has a quick take-off.

EASY LANDING

The main advantage, however, is that it gets rid of most of the difficulties of landing. Landing an ordinary aeroplane is the most critical part of the art of piloting and the most difficult for a beginner to master. With the new undercarriage it is not necessary for a pilot to judge his height from the ground with great exactness and hold the machine off until it loses flying speed and until the tail touches the ground at the same instant as the main wheels.

This Monopar could be flown down to the ground at a much steeper angle and a considerably higher speed without any fear of its falling over. When the wheels touch the brakes can be applied at once, and the machine stops dead in a few yards. Several safe landings were made today by passengers who were not expert pilots.

These qualities will be particularly valuable when a landing has to be made in fog. The Lorenz wireless system removes most of the danger from a blind landing, but it is reckoned that the pilot will usually sight the ground when a few feet above it. The tricycle landing makes even this glimpse unnecessary, for once the wireless beam has informed the pilot that he is over the aerodrome and how low he can take his hands off the controls and

BRITISH CLAIMS IN SHANGHAI

F.B.I. And Co-operation With U.S.A.

The China Liaison Committee of the Federation of British Industries, which includes representatives of the China Association and the London, Manchester, and Bradford Chambers of Commerce, met in London recently.

It was reported that further consultation had taken place with the Foreign Office on the subject of claims for damage to British property and interests in China, and it was decided to address a further communication to the Government urging them to press for the early recognition in principle of such claims with a view to their being met at the earliest possible date.

The Committee was informed that certain cargoes of British non-contraband goods, consigned to Shanghai but diverted by the shipping companies to Pairen in consequence of hostilities, had been detained by the Japanese authorities in that port. General representations on this matter have already been made to the Japanese Government by the British Government, and these are now being followed up by detailed representations based on particulars of specific cases furnished by the Chinese Liaison Committee.

TRADING FACILITIES

A considerable amount of evidence was produced which showed that, in spite of repeated representations made by the British Government for British property owners to have access to their premises and businesses in the Hong-kow and Yangtsepoos districts at Shanghai, for the purpose of taking delivery of goods from wharves and godowns and operating plant in British and municipally owned works, the Japanese military authorities were still raising many difficulties notwithstanding the fact that hostilities had now ceased in that area.

In view of the serious economic situation in Shanghai following its isolation from the interior the resumption of local commercial and industrial activities as well as the municipal services is an urgent necessity. The Committee decided to impress the importance of this matter once again upon the Foreign Office, and to urge co-operation with the Government of the United States of America, whose subjects have important interests in the occupied areas.

leave the machine to land itself without fear of mishap, even where no ground at all is visible. Great developments may be looked for in the future from the use of the nose landing-wheel.

DOLLAR STEAMSHIP LINES AMERICAN MAIL LINE

Sailings

SAN FRANCISCO & LOS ANGELES

via Kobe and Yokohama.

S.S. PRESIDENT COOLIDGE

Sails SATURDAY, January 8th, Midnight

SEATTLE AND VICTORIA

via Kobe and Yokohama.

S.S. PRESIDENT JACKSON

Sails FRIDAY, January 14th.

MANILA

S.S. PRESIDENT GARFIELD

Sails TUESDAY, January 25th, 8 A.M.

MOST FREQUENT SERVICE ON THE PACIFIC

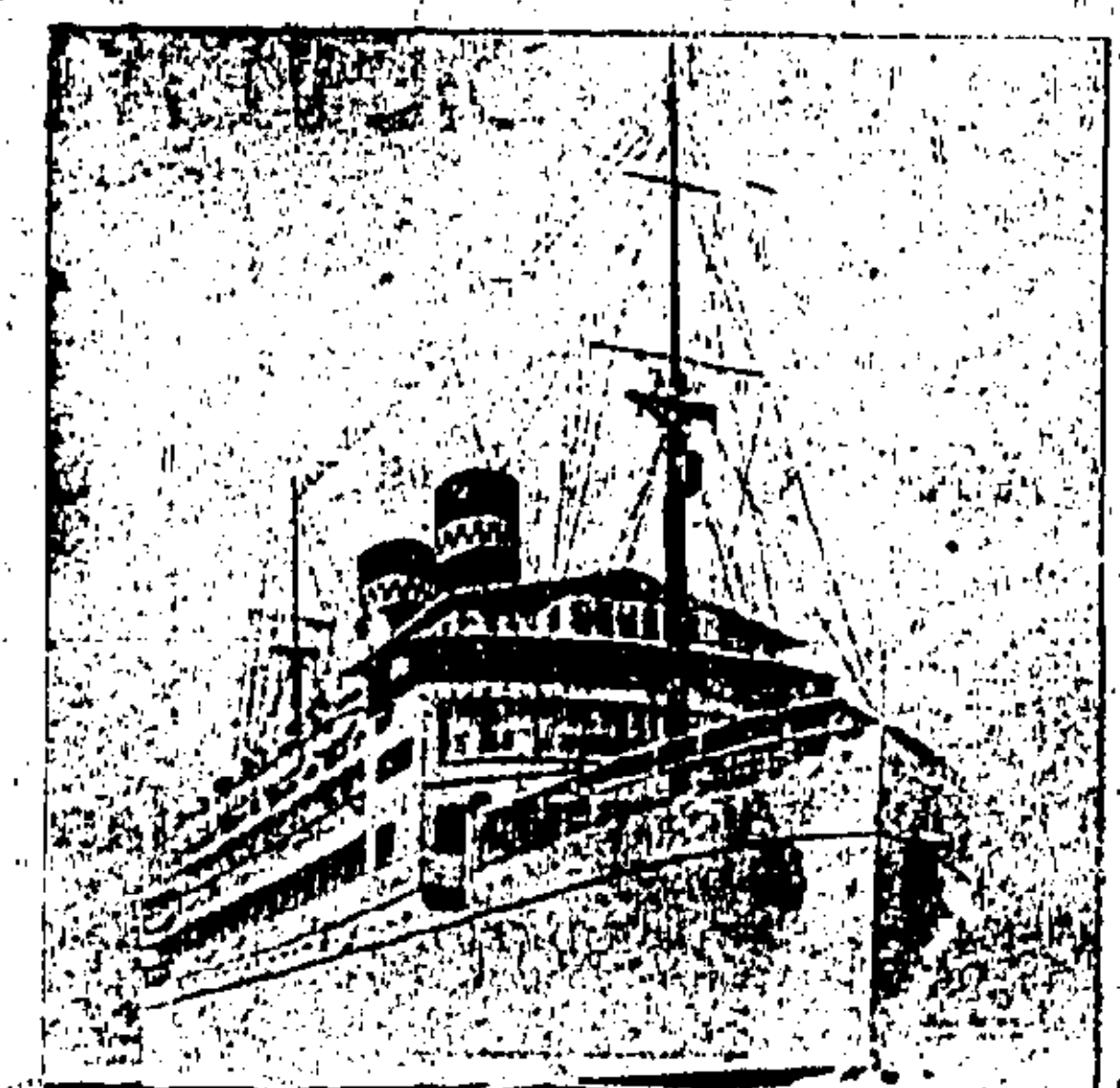
DOLLAR STEAMSHIP LINES * AMERICAN MAIL LINE *

FRIDDER BUILDING—HONG KONG.

CANTON BRANCH—21, FRENCH CONCRESSION, SHANGHAI.

BURNS PHILP LINE M.V. "NEPTUNA"

Due 5th January.



PASSENGER & FREIGHT SERVICE TO AUSTRALIA

Sailing Sunday, 9th January.

for Saigon, Madang, Salamaua, Rabaul, Sydney & Melbourne.

First Class Fare to Sydney: Single: £47.10.0d. Return: £76.0.0

Passenger & Freight Agents—

GIBB, LIVINGSTON & CO., LTD.

Telephone No. 29031. P. & O. Building.

Joint Passenger Agents—

Nippon Yusen Kaisha

King's Building.

TRADE UNION CONGRESS

London, Jan. 1.

It is understood that a joint meeting of the Trade Union Congress comprising the General Council of the National Executive Labour Party and Executive Parliamentary Labour Party will be held in London on January 7 to consider any matters of policy arising out of the Sino-Japanese situation.

The question of the Trade Union taking action to support the boycott of Japanese goods is expected to arise as the British section of the International Transport Workers' Federation, at a meeting in London last week after deciding to support the policy of boycott, has resolved to leave it to the joint meeting to make the decision regarding future action.

Meanwhile, dockers at Southampton and Glasgow have already decided, unofficially, not to handle goods from Japan or to Japan, but the president of the International Transport Workers' Federation is keenly aware of the effect that there are difficulties to be encountered as far as British transport unions concerned and that boycott rests with the general public.

CONSIGNEE NOTICE.

NOTICE TO CONSIGNEES

OCEAN STEAM SHIP CO., LTD.

CHINA MUTUAL STEAM NAVIGATION CO., LTD.

CONSIGNEES per Co's Vessel "TITAN"

FROM UNITED KINGDOM & CONTINENTAL PORTS VIA SINGAPORE

are hereby notified that their cargo will be discharged into Holt's Wharf, Kowloon, where it will be consigned, risk and subject to terms and conditions of storage at Holt's Wharf. The Cargo will be ready for delivery from Godown on and after 5th Dec.

Optional cargo will not be landed here, unless notice has been given prior to 24th Dec. 1937. Cargo carried on from port to port to the final port of call to which the option extends.

All broken, baled, and damaged goods are to be left in the Godowns, where they will be examined as they arrive, and on Fridays between the hours of 10.00 am and 1.00 pm within the Godown premises.

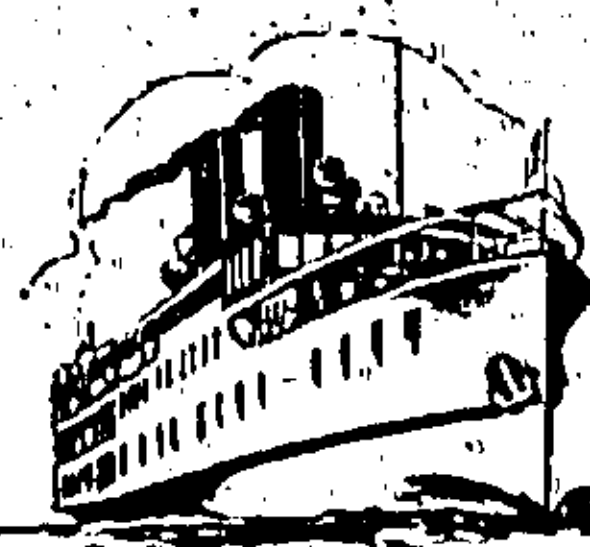
All claims against the Steamer must be presented to the undersigned on or before the 15th Jan., or they will not be considered.

20th December, 1937.

HONGKONG, CANTON & MACAO STEAMERS

TRAVEL
THE
SHORT
SAFE
SEA
WAY

by the
British Line



CANTON LINE

From Hong Kong: 8 A.M. daily.
(No sailing on Sunday)
From Canton: 8 A.M. daily
(No sailing on Sunday)

MACAO LINE

From Hong Kong: 8 A.M. daily.
From Macao: 8 A.M. daily.
SUNDAY: 10 A.M. daily.
Note: All vessels equipped with Wireless.
QUEEN'S BUILDING, CONNAUGHT ROAD
Telephone 20101

MACAO RACE MEETING

(Continued from Page 1)

gory) 11 22
Victory Life (B. L. Tao) 80 50
Sinking Handicap (6 Furlongs)
Mr. Reidy's Royal Consort, 158
lbs. (K. S. Hsu) 1
Mr. L.T.F.'s Gold Coin, 149 lbs.
(B. L. Tao) 2
Mr. Wei Man Wei's Voltaire, 141
lbs. (W. H. S. Davis) 3
Time: 30.2/5, 1.02.2/5, 1.31.3/5.
Distance: 5 lengths, half length.
Pari-mutuel:—
Winner: \$6.80.
Places: \$5.10, \$5.50.
Betting

Win. Pl.
Royal Consort (K. S. Hsu) 185.10f
Laughing Cavalier (S. C. Liang) 46 21
Voltaire (W. H. S. Davis) 15 11
Gold Coin (B. L. Tao) 53 30
6-Ladies Dash (Unofficial)
(5 Furlongs)
Mr. Gellion's Merry Maker, 104
lbs. (Meryl Fair) 1
Mr. McComb's Hogmanay, 121
lbs. (Richard) 2
Mr. Liang's Hopeful, 118 lbs.
(T. Lord) 3

Time: 16.1/5, 46.3/5, 1.20.3/5.
Distance: Many lengths, Short head.
Pari-mutuel:—
Winner: \$10.50.
Places: \$5.30, \$6.20, \$5.50.
Betting

Win. Pl.
Fairy Auk (Hull) 9 3
Fairy Ousel (J. Old) 6 3
Gold Clause (Betty Fair) 14 13
Hogmanay (Richard) 18 15
Hopeful (T. Lord) 51 34
Merry Maker (Beryl Fair) 75 47
Morning Tip (Fearon) 13 11

CASH SWEEPS

RACE 1
No. 117 \$127.80
No. (—) 36.50
No. (—) 18.20
These numbers were inadvertently
not supplied.

RACE 2
No. 3 \$102.00
371 46.30
181 23.10
Unplaced Nos. 1, 22 each \$12.

RACE 3
No. 235 \$181.00
43 51.70
59 25.80
Unplaced Nos. 217, 252 each \$14.30.

RACE 4
No. 1873 \$894.00
2529 255.00
3329 127.00
Unplaced Nos. 3210, 1058, 3204, 2558,
3038, 1821, 0683, 0520, 1059, 0671
each \$22.50.

RACE 5
No. 200 \$200.30
301 57.20
194 28.60
Unplaced No. 27—\$31.80.

RACE 6
No. 42 \$210.90
245 60.20
30 30.10
Unplaced Nos. 272, 182, 103, 394
each \$8.30.

FEDERAL POLITICIANS

Seek Salary Increase

Federal members of Parliament made a move to increase their salaries from £250 to £1,000 a year shortly after the opening of the new Federal Parliament at Canberra.

At one stage it seemed likely that the Government would agree to the suggestion immediately, but later the Federal Minister refused to grant an immediate increase.

The Prime Minister, Mr. Lyons, recently rejected a strong request from his colleagues in the Cabinet that special provision should be made to increase the Parliamentary allowance of the Prime Minister.

The present allowance is never disclosed exactly, but it is understood that in most cases it exceeds £2,000 a year. The allowance of most other senior Ministers is about £1,600 a year.

There is a strong feeling both inside and outside the Federal Cabinet, that the allowance of the Prime Minister—which is less than that of some public servants of the Commonwealth and States, and of members of the Judiciary—is disproportionate to the importance of the post and to the heavy personal calls on the person who occupies the position.

It is felt that provision should be made to fix the allowance permanently, and an increase up to £5,000 a year has been informally suggested.

Mr. Lyons, it is understood, uncompromisingly rejected the offer.

Local Residents Honoured



Hon. Mr. King

Hon. Mr. T. N. Chau, unofficial member of the Legislative Council, received the C.B.E. decoration and the Hon. Mr. T. H. King, Commissioner of Police, the King's Police Medal in the New Year's Honours.



Hon. Mr. Chan

BLOOD TRANSFUSION GIVEN BY NEW TECHNIQUE

Believed to be first case of its kind in Australia, a blood transfusion carried out at the Community Hospital Sydney recently, is expected to save the life of a woman suffering from a rare streptococcus infection.

Mr. Stanford-Hennell volunteered, following feverish efforts to locate a blood donor who had recovered from the peculiar infection. The chances of obtaining a person with the type of blood desired were slight, as few in the history of such cases have recovered. The transfusion, carried out under a new technique by two Sydney specialists, lasted half an hour.

Mr. Hennell walked into the operating theatre and calmly allowed the doctors to remove a pint of his blood.

This was almost immediately afterwards injected into veins of

the patient, who was in a collapsed state.

The doctors said after the operation that they were extremely hopeful that it would be successful.

Calmly sipping coffee at the Community Hospital, Mr. Hennell said that the experience had almost been exhilarating, both in the physical aspect and in the satisfaction at being able to help a fellow sufferer. Mr. Hennell said he saw the appeal for blood by chance and, remembering his own recovery from such a rare infection as "almost a miracle" following a motor accident, he immediately got in touch with the authorities.

As distinct from the old method of arm-to-arm transfusion, one of the operating specialists said it was more beneficial to first remove the blood and then inject it into the patient separately.

MEDAL FOR FORMER ARSENAL FOREMAN

The first Imperial Service Medal to bear the embossed head of King George VI. has just been awarded in Woolwich Arsenal.

The recipient is Mr. Walter Herbert Edward Kemp of Wellington Road, Bexleyheath. Mr. Kemp retired at the age of 60 as principal foreman of the Army Ordnance Services, Woolwich Arsenal, where he had served for 46 years.

The total service of Mr. Kemp and his father in the Arsenal was continuous for more than 94 years, and other members of the family who have served in the Government factory make the total of service more than 150 years.



Fung King-cheong being robbed of possession when playing for Hong Kong against the British Isles in the exhibition football match on the Club ground yesterday. The British Isles won by the odd goal. (Photo, Cheng Studio).

VISCOUNT BRIDGEMAN

It was announced in the "London Gazette" recently that Capt. and Brevet Lt.-Col. Viscount Bridgeman retired from the Rifle Brigade on Thursday on retired pay.

Lord Bridgeman, who is 41, succeeded to the title in 1935 on the death of his father, the first Viscount, and former chairman of the B.B.C. He joined the Rifle Brigade from the Special Reserve at the beginning of the War. He was twice wounded and gained the M.C.

It is believed that he agrees with the principle involved, and would be prepared to support the proposal if he himself were not the occupant of the office, but he is said to have informed his colleagues that he would not entertain any increase in his allowance while there is unemployment in Australia.

WEATHER REPORT

HONG KONG ROYAL OBSERVATORY

10 a.m., Jan. 2

Barometer (at sea level), 30.02

Temperature, 65 F.

Humidity, 80 per cent.

Wind Direction, East.

Wind Force (Beaufort), 5.

Temperature; maximum yesterday, 70 F.

Temperature; minimum last night, 61 F.

Rainfall for 24 hours, ending 10th day, 0.01 in.

Total rainfall since January 1, 0.01 in.

Against an average of 0.03 in.

Sunset to-night, 5.50 p.m.

Sunrise, to-morrow, 7.03 a.m.

4 p.m., Jan. 2.

Barometer (at sea level), 29.02.

Temperature, 68. Humidity, 80.

Wind Direction, East. Wind Force (Beaufort), 4. Maximum temperature, 69. Minimum temperature, 61. Rainfall, nil.

FOREIGN MAILS

BROADCAST RECEIVING LICENCES

Holders of licences are reminded that if it is desired to continue to retain possession of the apparatus after the date of expiration of the licence a renewal must be effected without delay.

As from 3rd January 1938 New Licences will be available at the Government Radio Office, G.P.O. Building, First Floor, on ordinary business days, and will be issued against the receipt of a remittance of \$12.00, between the hours of 9 a.m. and 5 p.m. except on Saturdays when licences will be issued between 9 a.m. and 1 p.m.

Applications may be made:—(a) personally (b) by messenger and (c) by post.

It is essential under (c) and preferable under (a) and (b) that applications should be accompanied by crossed cheque payable to Hong Kong Government. The new licence will then be sent by post or messenger as soon as it is ready. Where actual cash is tendered a new licence should be received in exchange before leaving the Licensing Office.

In the case of renewal the old licence should be returned with the application.

HONG KONG RADIO TELEGRAPH SERVICE

XLT Telegrams conveying Christmas and New Year Greetings will be accepted by the Radio Office for transmission via Radio during the period from 14th December, 1937 to 6th January 1938, both dates inclusive.

(a) The charge for telegrams to places in China will be based on ONE FOURTH of the ordinary rate and to other places on ONE THIRD of the ordinary rate.

(b) The minimum charge for all places will be for ten words. Further particulars may be obtained on application at the Radio Office.

INWARD MAILS

FROM	PER	DATE
HAIPHONG, PAKHOI and HOIHOW	Kwongchow	2nd Jan.
STRAITS	Amoy	2nd Jan.
JAPAN	Santos Maru	2nd Jan.
AMOI	Tsitaroca	2nd Jan.
STRAITS and LONDON PARCELS—London date, 26th November 1937	Antenor	2nd Jan.
STRAITS and EUROPE via NEGA-PATAM (Letters and Papers) London date, 2nd December, 1937	Fushimi Maru	3rd Jan.
Air Mail by "Imperial Airways Direct Service"—London date, 25th December 1937	Imperial Airways Plane	3rd Jan.
SHANGHAI and AMOI	Soochow	3rd Jan.
SWATOW	Nanning	3rd Jan.
JAPAN	Arizono Maru	4th Jan.
STRAITS	Singapore	4th Jan.
SHANGHAI	Glenfer	4th Jan.
JAPAN	Talkybius	4th Jan.
CALCUTTA and STRAITS	Shirala	5th Jan.
Air Mail by "Pan-American Airways Direct Service"—San Francisco date, 29th December	Pan-American Airways Plane	5th Jan.
STRAITS and EUROPE via SUZ (Letters and Papers) London, 6th Dec. and London Parcels—London date, 2nd December, 1937	Chitral	6th Jan.
JAPAN	Kutang	6th Jan.
MANILA	Potdam	6th Jan.
BANGKOK and SWATOW	Kwongchow	7th Jan.
JAPAN	Windsor	7th Jan.
AUSTRALIA and MANILA	Tai Ping	7th Jan.
JAPAN and SHANGHAI	Rasulpindi	7th Jan.
SAIGON	Andre Labon	8th Jan.
STRAITS	Conde Biancamano	8th Jan.
CALCUTTA, STRAITS and SAIGON	Mawany	8th Jan.
STRAITS	Achilles	10th Jan.
JAPAN and SHANGHAI	D'Aragnan	11th Jan.
U.S.A., CANADA, JAPAN and MANILA (Seattle, date 18th December 1937)	Pres. Jackson	12th Jan.

OUTWARD MAILS

REGISTERED AND PARCEL MAILS are closed 15 minutes earlier than the time given below unless otherwise stated, and where mails are advertised to close at or before 9 a.m., registered and parcel mails are closed at 8 p.m. on the previous day.

FOR	PER	DATE AND TIME
MONDAY		
Bangkok and Wuchow	Kwongchow	Monday, 3rd, 6.15 AM
Swatow and Bangkok	Yingchow	6.30 AM
Air Mail for Sian, Lanchow and Chengtu, etc. (via Hankow) by the "Eurasia Airways Service" (To further points by surface transport as Services permit)	Eurasia Plane	G.P.O. & K.P.O. Reg. 9.00 AM Ord. 9.30 AM
Foochow and Tientsin	Ninghai	10.30 AM
Shanghai	Bowman	10.30 AM
Swatow	Anhui	12.30 PM
Formosa, Japan and EUROPE via Siberia	Fushimi Maru	12.30 PM
TUESDAY		
Straits, Ceylon, India, East and South Africa	Arizono Maru	Tuesday 4th, 2.30 PM
Swatow, Amoy and Foochow	Seitan	3.00 PM
WEDNESDAY		
Amoy and Shanghai	Soochow	Wednesday 5th, 2.30 PM
Swatow, Foochow and Tientsin	Bupke	3.20 AM
Air Mail for Manila, Guam, Honolulu and U.S.A., by the "Pan-American Airways Direct Service"—due San Francisco, 11th January, 1938.	Pan American Airways Plane	Reg. 5th 5.00 PM Ord. 5th 5.00 PM G.P.O. Reg. 5th 5.00 PM Ord. 5th 6.00 AM
THURSDAY		
Pakhoi and Haiphong	Seechuen	Thursday 6th, 1.00 PM
Shanghai	Shantung	2.30 PM
Airmail for Chungking by the "C.N.A.C." Airways Direct Service	C.N.A.C. Plane	Kwongchow P.O. Reg. 6th 5.00 PM Ord. 6th 5.00 PM G.P.O. Reg. 6th 5.00 PM Ord. 6th 6.00 AM
FRIDAY		
Straits and Calcutta	Kutang	Friday 7th, Parcels 11.00 AM Ord. Noon
Japan, Honolulu, U.S.A., Canada, Central & South America, and EUROPE via San Francisco—due San Francisco, 8th Jan.—and EUROPE via Siberia	Pres. Coolidge	Reg. 5.00 PM Ord. 5th 5.00 PM
Straits, Ceylon, India, East & South Africa, Aden, Egypt & EUROPE via Marseilles—due Marseilles, 4th February 1938	Rasulpindi	G.P.O. & K.P.O. Reg. 7th 5.00 PM Ord. 8th 9.45 AM Reg. 8th 10.30 AM

Superscribed correspondence only.

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PASSENGER & FREIGHT SERVICE.

From Hong Kong to	Vessels	Ports	Date
Europe	Potdam	Genoa, Southampton, Havre, Hamburg, Bremen	Jan. 18
	Fulda	Marseille, Rotterdam, Hamburg, Bremen	Feb. 8
Straits & Ceylon	Potdam	Singapore, Batavia, Colombo	Jan. 18
	Fulda	Singapore, Batavia, Colombo	Feb. 8
Manila	Potdam	Manila	Jan. 18
Japan	Potdam	Yokohama, Kobe	Jan. 7
North China	Fulda	Dairen, Taigang	Jan. 18
South Sea Islands	Prideron	Madag., Salamau, Tulagi, Baluni, etc.	Feb. 1
	Prideron	Madag., Salamau, Tulagi, Baluni, etc.	April 1

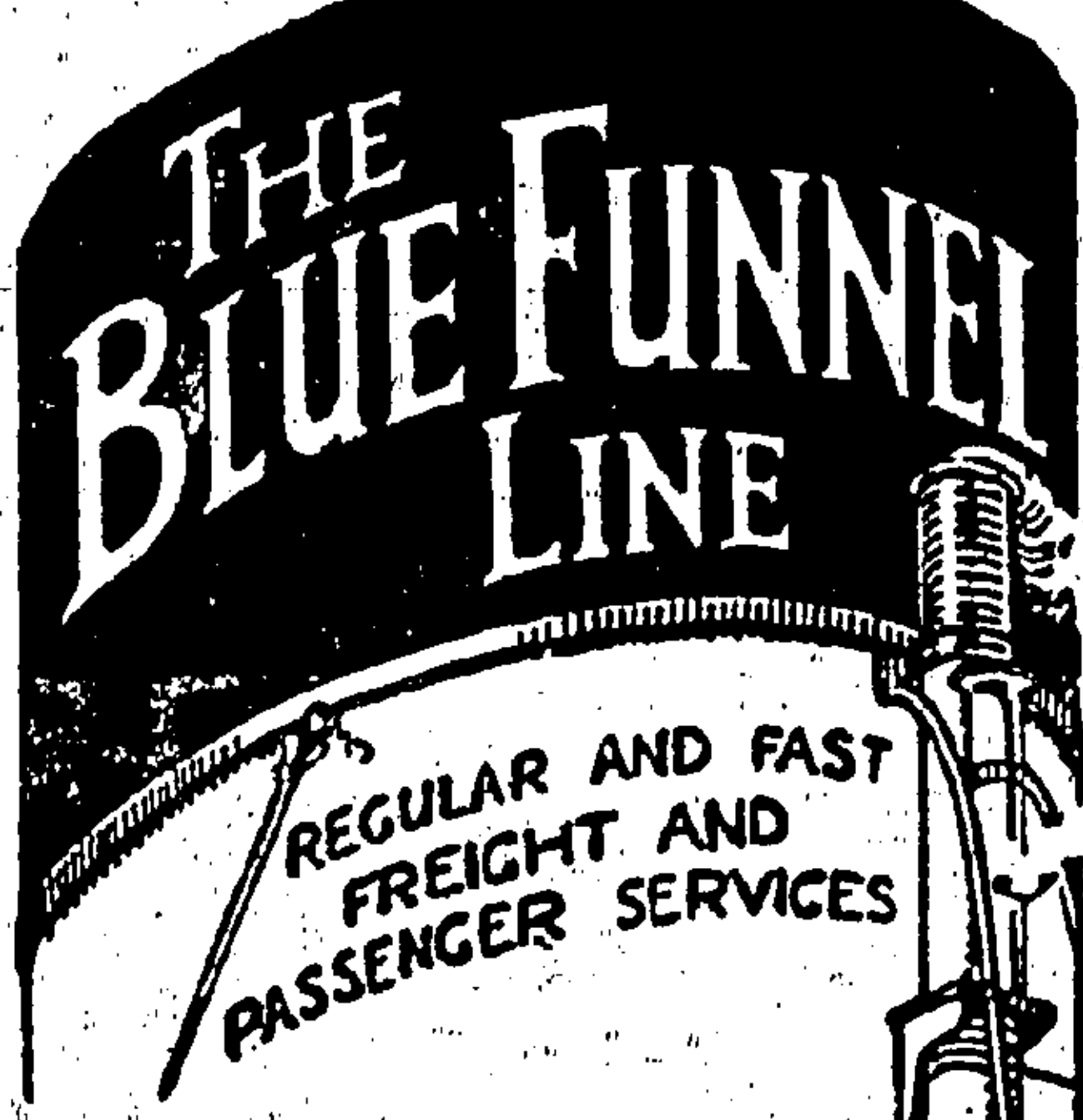
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For Passage and Freight apply to:

NORDDEUTSCHER LLOYD BREMEN

MELCHERS & CO.

Queen's Building, AGENTS Telephone 2772.
CANTON AGENTS: JESSEN & CO., SHAMERN, B.C.



LONDON SERVICE

"PATROCLUS" Sails 11 JAN., for Marseilles, London, Rotterdam & Glasgow

"MEMNON" Sails 26 JAN., for Marseilles, London, Rotterdam, Hamburg & Glasgow

LIVERPOOL SERVICE

"ANTIOCHUS" Sails 21 JAN., for Havre, Liverpool & Bromborough

NEW YORK SERVICE

"ADRASTUS" Sails 13 JAN., for Boston, New York, Philadelphia and Baltimore, via Cape of Good Hope.

"PACIFIC SERVICE (via BAHIA, RIO, MANOYA & YOKOHAMA)

"TALTHYBIUS" Sails 16 JAN., for Victoria, Vancouver & Seattle

INWARD SERVICE

"TALTHYBIUS" 5 JAN., From Pacific via Japan

"ACHILLES" 19 JAN., From U.K. via Straits

"AJAX" 16 JAN., From U.K. via Straits

Specially reduced fares are quoted for cargo steamers with limited passenger accommodation

For freight, passage rates and information apply to

Butterfield & Swire,

Tel. 20323. Agents, 1, Connaught Road, C.